1792 1892

THE

HARTFORD BANK

William Deering Esq.
With compliments of
J A Bolton, Prest

HARTFORD NATIONAL BANK,

58 State Street, HARTFORD, CONN.

1792 1892

ONE HUNDRED YEARS

OF THE

HARTFORD BANK

NOW

THE HARTFORD NATIONAL BANK

OF

HARTFORD, CONN.

PREPARED AT THE REQUEST OF THE PRESIDENT AND DIRECTORS

atrick BY

P. H. WOODWARD

HARTFORD, CONN.
PRESS OF THE CASE, LOCKWOOD & BRAINARD COMPANY
1892

R. H.

PREFATORY

THIS volume was prepared at the request of the president and directors of the Hartford National Bank, in anticipation of its one hundredth anniversary, June 14, 1892. Without taking space to enumerate the books to be found in every well-equipped library, the writer wishes here to express his obligations to those who in various ways have kindly aided him. Most of the facts in regard to Col. Jeremiah Wadsworth were derived directly or indirectly from Jonathan F. Morris. Much assistance has been drawn from a series of able and accurate papers on "Currency and Banking in Connecticut," prepared by Joseph G. Woodward, and printed in the *Courant* during 1876. For valuable suggestions and for the loan of rare books and pamphlets, the writer is under special obligations to Sherman W. Adams, whose library is exhaustive in most matters pertaining to Connecticut. Charles J. Hoadly has made liberal contributions from his vast and varied stores. Other facts were furnished by Nathan Starkweather. Clerks at the Capitol have shown unfailing courtesy in hunting for ancient accounts and papers. John W. Stedman, president of the Connecticut Historical Society; Frank B. Gay, of the Watkinson Library; and Miss C. M. Hewins, of the Hartford Library Association, have been specially helpful. Others also, by furnishing old manuscripts and by showing a generous interest in the work, have contributed to make the task a pleasure.

P. H. W.

HARTFORD, CONN., March 22, 1892.

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HISTORY

OF

THE HARTFORD BANK

CHAPTER I

ORGANIZATION

IT HAS fallen to the lot of the present generation to celebrate the one hundredth anniversary of many memorable events in American history. Not only with noise and pomp and other outward demonstrations of rejoicing, but also with diligent study the men and women of to-day have recalled the revolutionary struggle from the first gun at Concord to the establishment of the federal union in 1789.

And now having rounded a full century, the Hartford (National) Bank, the oldest financial institution in the city, and with the exception of the Union Bank of New London, which was chartered at the same session of the General Assembly, the oldest in Connecticut, turns aside from the beaten track to review the work of the long procession of officers and managers who have linked its name with enduring associations of honor and strength.

Only four State banks antedate the Hartford: the Bank of North America, of Philadelphia, incorporated by an ordinance of the Continental Congress, Dec. 31, 1781, and chartered by Pennsylvania in March, 1782; the Bank of New York, organized and in active operation in 1784, but unable to secure a charter till March 21, 1791; the Bank of Massachusetts, chartered Feb. 7, 1784; and the Providence Bank, which began business in October, 1791.

To appreciate the changes wrought in the methods of business, and the benefits arising from the formation of the bank, one must know the situation of affairs when it was called into being.

At the outbreak of the Revolution the colonies were prosperous. The meddlesome and repressive legislation of Great Britain, while irritating the passions, failed to check the industrial energies of the people. A virgin soil yielded a handsome surplus for export. A long coast line indented with landlocked harbors tempted the commercial spirit to seek adventure and wealth upon the sea. Shipbuilding brought technical skill and riches to the builder. Manufactures sprang up in spite of British jealousy. Political leaders, impatient of interference and dictation from a court thousands of miles away, were intoxicated by the signs of abundance on every side. From this, in part, the brave words of Adams and Hancock and Henry drew their inspiration.

In ignorance of economic laws our fathers under-took to achieve independence with fiat money. As John Law had taught before, as the promoters of the French Revolution taught afterwards, they doubted not that houses and lands and the boundless possibilities of the continent afforded a solid foundation for all the paper currency the wisdom of Congress might see fit to emit. No repetition of bitter experiences seems able to exterminate the error. On the prairies of the West it flourishes to-day in all the luxuriance that might be expected in the case of a new and untried experiment.

In June, 1775, Congress voted to issue bills of credit not exceeding two millions Spanish milled dollars. Late in July another million was added. Thenceforth till near the close of 1779 the printing-press found no rest. Meantime, over $200,000,000 had been thrown into circulation, and as the volume increased its purchasing power fell toward zero. The bill passed March 18, 1780, for the redemption of the old issues in "new tenor" at the rate of forty for one only precipitated the collapse. The mass of paper afloat retained a dubious fraction of value till August or September, 1781, when its worthlessness was conceded, and the stuff ceased to play any further part either in the operations of government or in the exchanges of trade. Gold and silver came out from many hiding places. The French and English armies disbursed large sums in coin. An active trade with Havana brought in Mexican dollars by thousands. Once more traffic was carried on in the precious metals to the astonishment and delight of every one except the enemy, who had come to base the hope of ultimate triumph in subduing the revolt more upon failure of the currency than upon success in arms. Specie supplied the sinews of war for the final campaigns of the Revolution.

Peace did not usher in prosperity. For eight weary years the brain and muscle of the confederation had been withdrawn in great measure from the work of production. Armies had desolated broad areas. British cruisers had destroyed the carrying trade and cut off the profits of the fisheries. Colonial estates which had furnished loans to the enterprising, were, in many cases, wiped out of existence by repayments in almost worthless paper currency. By stimulating speculation and gambling, the inflation had also unsettled the old habits of industry. With peace came heavy importations of foreign goods, which drained the country of coin, for the waste of war left no other exportable commodity. Money was scarce, rates of interest high, and the spirit of enterprise, always so characteristic of Americans, could seize hardly a foothold for undertakings which tantalized the imagination by the allurement of profits that lay just beyond the grasp.

After the withdrawal of the common enemy the thirteen states, loosely held together by the articles of confederation, began to wage commercial war against each other. New York, for instance, under the narrow leadership of Governor Clinton, levied a tariff upon supplies from the farms of Connecticut and the gardens of New Jersey. The distress and anxiety caused by the collisions of petty sovereignties, not less than the perils to be apprehended from the poverty and weakness of the central government, forced the calling of the convention of 1787. Little good was anticipated from the experiment. Previous attempts to form a union had failed. Antipathies growing out of mutual irritations seemed to render the last the most hopeless effort of all. Yet by a series of remarkable compromises the members agreed upon a constitution, and after the work had been approved in due form the United States entered the family of nations.

Within three years from the day when Washington took the oath of office as first president, active measures were on foot for the establishment of the Hartford Bank. In its issue of January 23, 1792, a correspondent of the *Connecticut Courant* occupies nearly a page in explaining the local need of such an institution and how it would benefit the town. Most of the arguments, novel perhaps then, seem quite commonplace now. Others throw a strong light on the situation. The writer contended that during the fall and winter there was not enough money in Hartford to buy the products from the areas which naturally sought this market. Hence was lost much business which ought to center here with the profits accruing from the export trade. He throws special emphasis on the influence it would have "in destroying that bane of all regular trade and that curse to the people of Connecticut, barter." Taught in the school of bitter experience, the public were keenly alive to the evils of truck. He continues, "Both parties take advantages and both are at times defrauded. Barter is the father of fraud and the instrument of knavery." . . . It "tends to vitiate morals. Variable prices and uncertainty of advance lead a man to take one little advantage after another, till he loses his sense of right and wrong; and the man who sells as he can light of chaps is or will be a downright knave."

An advertisement printed in the *Courant* of February 27, 1792, announced a proposal to petition the General Assembly at the May session for the establishment of a bank in Hartford, and invited all merchants and others favorable to the project to meet the same evening at six o'clock at Mr. David Bull's, — then the leading tavern of the place. No considerate reporter embalmed the names of the respondents, or recorded for the enlightenment of posterity their remarks and resolves. One must look over those old files to appreciate the indebtedness of our own more eager age to the ubiquitous news-gatherer. Seldom was reference made to local happenings. These everybody was supposed to know without having the facts thrust at him in the columns of the weekly paper. It was the period of solid essays written by solid men on the political and moral questions then stirring the thoughts and hopes of the young republic. Such efforts, supplemented by a brief digest of European news from two to six months old, by the doings of Congress and the Cabinet, by accounts of notable events occurring at a distance, and a sprinkling of correspondence often flavored with piquant personalities, seemed to satisfy the ambition of the publisher and the demands of the reader. So far as the press of the last century has preserved materials for home history, it is mostly through advertisements intended only for ephemeral uses.

Talk floating in the air and brought to a focus by the conference of February 27th, now took form in a definite scheme. Long and explicit articles of association were drawn up. The capital of the bank was fixed at $100,000, divided into two hundred and fifty shares of $400 each. Maj. John Caldwell, Maj. Barnabas Deane, and John Morgan were named a committee to open books for subscriptions on the first Thursday of May ensuing, in the State-house, at ten o'clock in the forenoon, and to receive payment of the five per cent. required as a deposit at the time of signature. They were also to call the first general meeting of the stockholders and to superintend the proceedings thereat. No person, copartnership, or body politic was allowed to subscribe for or to hold at any time over thirty shares.

John Trumbull, Chauncey Goodrich, and Noah Webster were named a committee to prepare and present to the Legislature a petition asking for an act of incorporation.

On Thursday, May 3d, the books were opened. One hundred thousand dollars was then a large sum for the residents of Hartford and vicinity to embark in a single venture. But through the teachings of Colonel Jeremiah Wadsworth mainly, as will be explained further on, the community had been well instructed in regard to the utility and profits of banking. Nearly every one prominent in the mercantile and professional circles of the city took a hand in the enterprise. The sequence of names raises a strong presumption that subscriptions did not pour in with a rush. Probably time and solicitation were required to fill the list. Local pride and patriotism reinforced the hope of gain in pushing through the work.

By the 14th of the month the capital had been subscribed and "the agents" presented to the General Assembly their petition for an act of incorporation. After a statement of what had been done in the matter, they say:

"The Objects of said Institution are to facilitate commercial operations, and extend the trade of said City & State, now too limited by the smallness of mercantile capitals; and the stockholders flatter themselves that a well-regulated Bank will be especially useful to our Export Business, as it will provide Specie for the merchants wherewith to purchase the Produce brot to Market. The Public, and particularly commercial men, have with Regret for a long time seen the dependent state of our trade; our imports and Exports in the Hands of the Merchants of other States; the trade of an extensive inland Country on Connecticut River, daily growing in population & wealth, diverted from said city, its natural place, into other channels, out of the State, and merely from want of mercantile wealth. A bank, by bringing into operation money not now used in commerce, and combining mercantile capital and exertion, it is expected will in some measure remedy this evil."

The document is dated at Hartford, May 14, 1792, and is signed by John Trumbull, Chauncey Goodrich, and Noah Webster, Jr., as agents. The legislature acted favorably. The charter follows closely in its essential features the articles of association and both were modeled after the charter of the Bank of New York, which was drawn up by Alexander Hamilton. With prophetic foresight of dangers that did not begin their destructive work till nearly a century later, and in classes of investments which were then unknown and undreamed of, the founders aimed to prevent wrongs to the minority and to the public by providing for a wide distribution of ownership and by limitations of the voting power. While the capital remained at one hundred thousand dollars no person, copartnership, or body politic, except the State of Connecticut, was permitted to hold more than thirty shares. In the choice of directors and other business respecting the institution, the holders of one and two shares were entitled to one vote, between two and ten to one vote for every two shares, and between ten and thirty to one vote for every four shares. No person or corporation could cast over ten votes. Had such wise restraints been universally applied in conferring corporate privileges it would have been impossible for individuals or syndicates to accumulate swollen fortunes by the wanton sacrifice of helpless minorities as has too often occurred in the management of great railway properties. Such limitations would have gone far to prevent the wrecking of joint stock life insurance companies, by which those most needing protection have too often been robbed.

To guard against surprises it was further enacted that after the first election no share or shares should entitle the holder to a right of suffrage unless he had been the legal proprietor according to the regulations of the bank at least three calendar months before the meeting at which he claimed to exercise the right.

In case the stockholders should judge the increase of trade to require it, they were allowed the privilege of increasing the capital to the amount deemed necessary and expedient, not exceeding five hundred thousand dollars.

The number of directors was fixed at nine, of whom not more than three-fourths, exclusive of the president, were eligible for re-election the next succeeding year.

Some of the early promoters of the enterprise desired to obtain such broad concessions as would enable the bank to engage also in manufactures, land-operations, and other speculative ventures; but the conservative element effectually barred the door against the entry of illegitimate schemes. By article eleventh the corporation was forbidden to trade in anything except bills of exchange, gold or silver bullion, or in the sale of goods pledged for moneys lent and not redeemed in due time, or in lands necessarily taken for security of debts previously contracted. It was also forbidden to take interest on loans at a higher rate than six per cent. per annum.

In addition to the original capital already subscribed the State of Connecticut reserved the right to take forty shares provided the option was improved within twelve months after the rising of the General Assembly. In that event the State could appoint two additional directors, or one for a subscription of twenty shares, subject to the same regulations as other stockholders.

The directors were impowered to invest in the funds of the United States so much of the capital as they might judge to be for the benefit of the institution. The lawful issue of notes or bills was limited to fifty per cent. of the capital and actual deposits combined. Other provisions of the charter relate to customary details.

The stockholders met at the court-house, June 14, 1792, to organize the bank, Oliver Ellsworth presiding. Jeremiah Wadsworth, John Caldwell, John Morgan, George Phillips, Barnabas Deane, Timothy

Burr, James Watson, Caleb Bull, and Ephraim Root were elected directors for the first year.

At a meeting of the directors on Saturday, the 16th, Jeremiah Wadsworth was first chosen president; but as he declined to serve, John Caldwell was then elected. Hezekiah Merrill was appointed cashier. At the same meeting it was resolved that the sum of five hundred dollars be allowed the cashier as compensation for his services for one year, to be paid quarterly and to commence from the fifteenth of July ensuing. He was required to give bond in the sum of $20,000.

It was also resolved that the bank notes to be issued should be of the following denominations, viz.: one, two, five, eight, ten, twenty, fifty, and one hundred dollars each.

Pursuant to the requirements of the charter the cashier, on June 25th, issued a call for thirty per cent., or $120 per share, payable Monday, July 2d. This was the second installment, the first, of five per cent., having been deposited at the time of signing the articles. Subscribers were invited "to call at the door next adjoining the post-office, where attendance will be given for receiving the same." *

At a meeting of the president and directors, held July 8, 1792, the following rules were adopted. entered on the records, and published in the *Courant* of August 6th:

* *American Mercury*, July 2, 1792.

John Caldwell

RULES TO BE OBSERVED AT HARTFORD BANK IN HARTFORD.

The bank to be open every day in the year; except Sundays, public Fasts, Thanksgivings, Christmas, and the Fourth of July, from the hour of Nine o'clock till Twelve o'clock in the morning, and from Two o'clock to Five in the afternoon, Saturday afternoon excepted.

Proposals for discount will be received every Wednesday, and if accepted, the money will be paid the following day.

Payments made at the Bank are never subject to revisions — errors (if any) must be discovered before the money is taken off the Counter.

In order to obtain Discount, a note expressing the sum wanted (in Dollars) must be inclosed in a letter, directed to the Cashier of the HARTFORD BANK, with an indorser, requesting Discount may be made for any number of days not exceeding Forty-five.

Notes presented for Discount must be executed in the City of Hartford, and the drawer or the indorser must be a resident within said City.

Charge shall be taken in said Bank of the Gold and Silver of all those who chuse to place it there, free of expence, and will be kept subject to their order, payable at sight. And they will receive deposits of ingots of Gold, bars of Silver, wrought Plate, or other valuable articles of small bulk, and return the same on demand to the depositor.

Bills and notes left at the office for collection will be presented for acceptance and the money collected or demanded without expence, except in case of protest, the charges of which shall be paid by the person lodging the bill or note.

Gold and Silver coins will be received and paid according to the laws established by the Congress of the United States.

CHAPTER II

THE SITUATION IN 1792

ON Wednesday, the eighth of August, 1792, the doors of the bank were opened for business. Washington had completed the third year of his first term, and the interval of orderly rule had produced a marvelous improvement in the prospects of the country. By a series of comprehensive and coherent measures Alexander Hamilton, Secretary of the Treasury, had brought system out of confusion, enthroned confidence in the place of distrust, and set in motion the financial machinery which in manifold ways stimulated industry, economized its processes, and multiplied its rewards.

For funding the domestic debt a loan was authorized large enough to cover the whole amount at the current price of the paper in the market. Holders of certificates issued by the Continental Congress were allowed to subscribe for the bonds, paying in evidences of debt against the government at their specie value. Continental currency was funded in the ratio of one hundred to one in coin. The new stock bore interest at the rate of six per cent. per annum, but on one-third of the issues to each subscriber interest did not begin to run till after the year 1800. State debts incurred in carrying on the war were assumed by the general government, although the adjustment was beset with difficulties.

Import and tonnage duties were laid to meet the interest, and to provide for the gradual extinguishment of the principal. By the act of March 3, 1791, the revenues were reinforced by a tax on domestic distilled spirits, and other internal taxes were added later.

In 1791 the first United States bank, modeled after the Bank of England, was chartered by Congress. Individuals were allowed to subscribe for four-fifths of the capital of ten million dollars, paying one-fourth in coin and three-fourths in government stocks. For the other fifth the government reserved the right to subscribe. Its duration was limited to twenty years. The head office was located in Philadelphia, and it was authorized to establish branches in the principal cities of the Union. No bills were to be issued for less than ten dollars, and they were receivable in payment of dues to the government.

Under the act of April 2, 1792, the mint was established in Philadelphia also, but, owing to difficulties and delays encountered in organization, the first silver coins were struck in 1794, and the first gold coins in 1795. For a number of years its operations were slow and its methods costly. At the close of the century a total of less than $2,000,000 had been coined at an expense of $213,336, with an off-set of $48,041.42, the profit on cents and half-cents. After much tribulation, however, it grew into an efficient and indispensable piece of mechanism.

To crown all, Hamilton devised a system of accounts for the treasury department so complete that it has never been essentially improved.

By arraying people of substance in support of the Union these measures greatly improved the prospects for permanence of a system of constitutional government, which a large minority in several of the States had opposed, and which many regarded as a doubtful experiment. As stability became more assured the dormant spirit of enterprise was again aroused to activity, and in Connecticut one of the most marked symptoms of the awakening was the organization of the Hartford Bank.

To appreciate the changes which the institution initiated and the solid growth which it has helped conspicuously to foster, we must first see what sort of a place Hartford was one hundred years ago.

Ambitious beyond their strength, as many residents thought, about one-sixth part of the town procured a municipal charter in 1784. Measured by modern standards the "city" eight years later was still a provincial village. The population of the entire township, then extending westward to Farmington, slightly exceeded four thousand. Mercantile business was mostly confined to Ferry, Commerce, and State streets. State terminated on the east at

Front, and was not carried through to the river till 1801, in pursuance of a vote passed by the Common Council the 27th of the previous December. Main from the present junction with Morgan to the south meeting-house was bordered by scattered residences, varied by a sprinkling of shops and taverns. Trumbull, out in the country, was appropriately called Back street, as marking the extreme western boundary of the settlement. Pearl from Main to Back was dignified as Prison Street, and thence to Little River as Workhouse Lane. Asylum from Main westward was laid out as part of the Farmington turnpike, which received a charter from the Legislature in October, 1801. It took its present name after the dedication of the American Asylum for the Deaf and Dumb, in 1821.

Advertisers rarely referred to streets to designate their locations. Buildings were not numbered till 1838. Not only citizens but residents of the tributary country knew without telling just where to look for every shop and store. If for any reason an advertiser wished to be explicit he mentioned the proximity of his place of business to some noted landmark or well-known establishment. Thus, the printing-office of Hudson & Goodwin served long as a guide-board. The river, the ferry, and the "Great bridge" often answered a similar purpose. By the "Great bridge" was meant not the arches first thrown across the Connecticut in 1809, but the more modest structure spanning Park River on the line of Main. Not a little in the way of traffic was done under or near "the large elm at the corner of the street leading to the goal," now known as the corner of Main and Pearl.

Income was derived chiefly from agriculture and trade. Hartford carried on a lively commerce with the West Indies, exporting horses, cattle, mules, woods, and farm produce, and importing specie, rum, and molasses, — the last commodity destined, unhappily, not so much for sweetening food as for distillation into more rum. Less frequently ships similarly laden sailed to London, Amsterdam, and the Mediterranean.

Domestic trade met the competition of Norwich and Providence, about thirty miles to the eastward. Northward her merchants made a resolute fight to control the traffic of the Connecticut valley far up toward the sources of the stream. When not closed by ice, the river brought down much timber and produce from Massachusetts, New Hampshire, and Vermont. By means of standing posts and ropes the sturdy navigators managed to work their way homeward through the Enfield Falls and other rapids.

Local manufactures were for the most part primitive and rudimentary. The "Hartford Woolen Manufactory," the first of the kind in the country for making broadcloth, planted in 1788 near the foot of Mulberry street, had already passed the climax and was drifting into the troubled waters which engulfed it in 1795. On its looms was woven the cloth worn April 30, 1789, by Gen. Washington, John Adams, and the Connecticut delegation in Congress at the inaugural ceremonies of the first president. But the best talent in the State could not save from disaster a courageous but premature venture. Enos Doolittle had erected "at great expense" the bell foundry in the rear of Main, nearly opposite St. John's church, which, under various ownership, survived for half a century. A single silver four pence ha'penny dropped at each casting into the molten mass served both to account to church committees for the costliness of the material and to soothe the conscience of the maker. John and George Steele, from their foundry "four rods north of the bridge," furnished "at a short warning" stills and worms, brass kettles, and other utensils. A little was done in the way of making silverware, rope and cordage, soap and candles, combing cards, pottery, linseed oil, horn combs, nails, and coarse articles of prime necessity. Cooperage, tanning, and the weaving of hemp and flax had risen to the rank of standard industries.

Then, as now, the main line of communication between New York and Boston passed through Hartford. From November first to May first the mail* left Boston every Monday and Thursday, at one o'clock in the afternoon, *via* Worcester, Springfield, Hartford, Middletown, and New Haven, arriving at

* Proposals of Sept. 10, 1792, Timothy Pickering, Postmaster-General.

New York every Saturday and Wednesday (the sixth day from its departure) by ten in the forenoon. The return schedule was the same. During the other six months of the year the service was tri-weekly and the running time each way three days and eight hours. There was a second mail route between Hartford and New York, served once a week *via* Farmington, Litchfield, Danbury, etc. Hartford also enjoyed a tri-weekly mail to Providence by way of Norwich.

The wealth of the city a century ago cannot be estimated with any near approach to exactness. Under the act passed at the October session of the Legislature in 1792 granting a tax of one penny on the pound, payable March 1, 1793, and amounting to £6588 2*s.* 3*d.*, Hartford ranks the seventh town on the list, Norwalk, Lebanon, Middletown, Guilford, Fairfield, and Wethersfield, in the order named, surpassing her in taxable possessions. Still, the method of making up the lists was such that no trustworthy inference can be drawn in regard to the real or relative wealth of any town in the State. Lands were classified according to uses and taxed at a fixed sum per acre irrespective of location or fertility, slight differences being allowed in favor of some counties. Horses, cattle, vehicles, houses, in short everything the law attempted to reach, went into the list at a specific and invariable valuation. Dwellings in good repair were estimated at fifteen shillings per fire-place. Horses, cows, and steers three years old were set at three pounds each, and oxen four years old at four pounds. Able-bodied male persons from sixteen years of age to twenty-one were valued for purposes of revenue at nine pounds, and from twenty-one to seventy at eighteen pounds. The governor, lieutenant-governor, assistants, ministers of the gospel, teachers, and college students were specially exempted. The opportunities of the attorney were capitalized, "the least practitioner at fifty pounds, larger practitioners higher in proportion." Doctors went in at one-fifth the rating of lawyers. Clergymen during continuance in the ministry escaped scot-free in both estate and poll, as did all property devoted to "pious uses." Chariots were assessed at £20, coaches £25, chaises £5, gold watches £5, silver and other watches £1–10. From extreme rarity these articles of luxury added little to the revenue.

It will be seen that public burdens were thrown more upon persons than possessions, and that the latter were taxed with slight reference to values.

After the Revolution Hartford, the headquarters of the "Hartford wits," became a leading literary center of the country. The impulse then given to the intellectual life of the place has since lost none of its energy.

One hundred years ago Connecticut was living under the charter granted by Charles II in 1662, and re-adopted by the General Assembly in 1776. Her population was homogeneous and almost exclusively of English lineage. Slavery was a legal institution, though steps had been taken for its gradual extinguishment, all children born in servitude after March 1, 1784, becoming free at the age of twenty-five. The privilege of enrollment in the rank of voters depended on a property qualification, the theory being that all participants in the trust of governing must have a substantial stake in the public welfare. Debtors could be thrown into prison without allegation of fraud. The entire public were taxed for the support of the clergy and for the erection of meeting-houses, with no exemption in favor of beliefs and preferences which fell without the prescribed limits.

Such is a hurried outline of the situation — national, municipal, and State — when the Hartford Bank began its work.

Jere. Wadsworth

June 16th 1776

CHAPTER III

THE FOUNDERS

THAT Hartford so closely followed New York and Boston in the establishment of a bank, was due to the influence of Colonel Jeremiah Wadsworth. An intimate associate, during and after the Revolution, of Robert Morris, Alexander Hamilton and the coterie of financiers whose brilliant services, based upon enlightened views, rescued the confederation from bankruptcy, and provided the means for carrying the struggle to a successful issue, he belonged to the same economic school with those great leaders. As the largest subscriber holding one hundred and four shares of $400 each, he helped to organize the Bank of North America at Philadelphia, in 1782. May 9, 1785, he was elected president of the Bank of New York. An association composed of the prominent capitalists and merchants of the metropolis took from a provincial town its chief executive officer on the urgent advice of Alexander Hamilton, the dominant director, who for far broader than reasons of prospective profit felt the deepest solicitude for the success of the undertaking. Colonel Wadsworth held the position but a single year. Confidence in his sagacity led his neighbors to act upon his advice in founding the Hartford Bank.

During the Revolution, Colonel Wadsworth filled well, places of great responsibility, but if judged from the space allotted to him in biographical cyclopædias, has not received from posterity adequate recognition. He was born in Hartford, July 12, 1743, the son of Rev. Daniel Wadsworth, pastor of the First church from 1732 till death closed his ministry, in 1747. In early life he followed the sea, making several voyages as master. At the age of thirty he settled in Hartford as a merchant. Two years later he was appointed a member of the commission for supplying Connecticut troops with provisions and stores. In the spring of 1778, he was made Commissary-General of purchases for the colonies. The country was poor, the army destitute, and the people dispirited. Under such conditions the office had few attractions, but was accepted from a sense of duty. Severe labors, rendered more exhausting by the vacillation of Congress, wore out his strength and patience. Broken in health, he resigned in January, 1780.

A few months later he was made commissary for the French army in America, and so continued till the end of the war. Under his roof Washington was entertained when he came east with Knox and La Fayette for his first interview with Count Rochambeau and Admiral Ternay.

His partner in supplying the French troops was John B. Church, an Englishman who came to America before the Revolution, under the assumed name of John Carter, and engaged in underwriting. By talents and push he acquired property and influence. He made a runaway match with a daughter of General Philip Schuyler, thus becoming a brother-in-law of Alexander Hamilton. Resuming his proper name when the reason for concealment had ceased, he afterwards hovered between the two continents, in England, holding at one time a seat in Parliament; in America, speculating heavily in wild lands, and finally died in London, about 1816.

On the declaration of peace the partners hastened to Paris for a settlement of their accounts. These were found so clear in detail that an adjustment was effected without delay or controversy.

In the fall of 1784 Col. Wadsworth returned to America, bringing a large stock of foreign goods.

Few comprehended more fully the resources of the country or labored more intelligently for their development.

Col. Wadsworth served repeatedly in each branch of the Connecticut Legislature, three years in the Continental Congress, in the Convention called to ratify the Constitution, and for three successive terms in the Federal Congress. He was intimately connected with four of the first six banks formed after the separation from Great Britain, having in addition to the others already mentioned held a directorship in the Bank of the United States. The wealthiest man in town, he was foremost in every enterprise which promised to advance its prosperity.

In recognition of his scholastic attainments, Dartmouth College conferred upon him the honorary degree of A.M. in 1792, and Yale in 1796. He died April 30, 1804, leaving one son, Daniel Wadsworth, founder of the Athenaeum, and one daughter, Catherine, the wife of Gen. Nathaniel Terry.

Major John Caldwell, president of the bank from its organization till 1819, was a merchant extensively engaged in domestic and foreign trade. He built and owned ships, providing no small share of the freight to and from the West Indies and for occasional trips to Europe. Public-spirited and liberal, he labored with hardly more assiduity to enlarge his private fortune than to advance the general welfare. John Trumbull, John Caldwell, and John Morgan constituted the commission for building the State House, begun in 1794. He was also on the commission which supervised the construction of the bridge across the Connecticut in 1809. He was the first major of the Governor's Horse Guards, incorporated in 1788 from a volunteer troop that did service during the Revolution, and was active in the establishment of the Asylum for the Deaf and Dumb. He was also one of the pioneers in local underwriting, issuing, with others, policies on the vessels and cargoes that sailed from the Connecticut. He was twenty times elected to the State Legislature.

For a while the firm of John Caldwell & Co. prospered greatly, but later suffered heavy losses as owners and insurers through the depredations of French privateers. The paralysis of commerce which preceded and accompanied the War of 1812 completed the wreck of his fortune. He lived about twenty years after retirement from active work, passing away May 26, 1838, in his eighty-third year, having been born Dec. 21, 1755.

Major Caldwell is still remembered as a genial, courtly, and kindly gentleman of the old school, who never surrendered short breeches, long stockings, silver knee-buckles, and ruffled shirt-bosoms to the spirit of modern innovation. He was perhaps a trifle over six feet tall and had a stalwart frame. Through his daughter Sarah he was grandfather of Col. Samuel Colt.

John Morgan, fifth in descent from James, the emigrant ancestor, who arrived in Boston in 1636, and in 1650 moved from Roxbury to New London, where he took a prominent part in upbuilding the infant settlement, was born at Killingworth (now Clinton), June 27, 1753. Having graduated at Yale College in 1772, he selected Hartford for his future home, and became one of the leading merchants of the Connecticut Valley. His operations reached around the globe. In the "Empress of China," the first American craft to enter Chinese waters, he imported in 1785 an invoice of China ware, including a special dining set ornamented with his name and the family coat-of-arms. By the largest subscription, reinforced by unwearied efforts, he promoted the construction of the bridge across the Connecticut, the street thence to Main taking his name, and from 1809 till 1820 held the presidency of the company. Largely through his zeal and contributions Christ Church was raised from weakness to strength. Possessing a fine voice, he was expected to read the service in the absence of the rector.

In moments of excitement Mr. Morgan sometimes unconsciously peppered his conversation with words which as found in the prayer-book are differently collocated and suggest different associations of ideas.

After accumulating a large property, he lived to see it take wings and to feel the stings of poverty. He belonged to the small coterie that to the last clung to the colonial style of dress, which well became their high bearing and courtly manners. He died in New York City, Sept. 19, 1842, aged eighty-nine. Elias Morgan, half-brother of John, for several years a hardware merchant of Hartford, died in St. Croix, West Indies, May 15, 1812, at the age of forty-one. Junius S. Morgan, the London banker, who toward the close of life remembered Hartford with a princely gift for a free public library, descended from Miles Morgan, youngest brother of James, who also came to America in 1636.

Gen. George Phillips resided at Middletown. He was born April 4, 1750; graduated at Yale College in 1769; settled in his native town as merchant and importer; served in the Legislature in 1787 and 1788; was active in the local militia; and possessed large means for the period. He died at Savannah, Ga., Oct. 2, 1802.

Barnabas Deane followed his older brother Silas from Groton to Wethersfield, whence Barnabas, after the Revolution, removed to Hartford. He served the usual novitiate as supercargo and master in the West India trade, and took charge of the business of Silas Deane on the election of the latter to Congress in 1774. Early in the Revolution he saw a little service as ensign in the famous company of Capt. John Chester of Wethersfield, and for twenty days in assisting to raise men and provisions for the garrisons at Crown Point and Ticonderoga. Preferring trade to war, he soon settled down as a merchant.

In the spring of 1779 the business was enlarged through the accession of Gen. Nathaniel Greene and Col. Jeremiah Wadsworth as silent partners. Greene was then quartermaster-general, and Wadsworth commissary-general of the Confederation. While there is no evidence that either used official position to advance the interests of the firm at the expense of the public, both took every precaution to conceal the connection through fear of scandal. The correspondence was conducted in cipher. Greene remained in the concern about two and a half years, and Wadsworth till the death of Deane, Dec. 6, 1794. Mr. Deane lived at the roomy place now known as

No. 73 Grove street, at present the residence of Nelson Hollister.

General Timothy Burr succeeded to the mercantile business in Hartford, left by his father, Timothy Burr, Sr., who died August 19, 1799. From boyhood he took a lively interest in military matters, rising in the State militia to the rank of general. Shortly before the outbreak of the last war with Great Britain, he moved to Ogdensburg, N. Y. In 1812, he was appointed commissary-general. In 1821, he took up his residence at Rochester, where he died of the cholera epidemic, in 1832, aged sixty years.

James Watson was born at Bethlehem, Conn., April 6, 1750, graduated at Yale College in 1776, and June 10th, of the same year, was commissioned 2d lieutenant in Bradley's battalion, Wadsworth's brigade. The command served around New York City, during the summer and fall. January 1, 1777, he was commissioned captain in the regiment of Colonel Samuel B. Webb, but resigned in a few months on account of a dispute in regard to seniority of rank. In April, 1780, he was appointed commissary of purchases in the Continental line. He married Mary, daughter of Colonel Samuel Talcott of Hartford. After the war he became a merchant in New York City. He was elected to the General Assembly of New York in 1791–4–5–6, and was speaker in 1794. He became State senator in 1797, and was a member of the United States Senate, 1798–1800. On the accession of Jefferson to the presidency, he was removed from the position of naval officer, being the first martyr, it is said, to the "spoils system."

The initial meeting for the organization of the "New England Society of the City and State of New York" was held in the parlor of Mr. Watson, No. 6 State street, near the Battery. President Dwight came from New Haven in a sloop expressly to attend, having, by favor of wind and tide, made a quick passage in two days. Mr. Watson was the first president of the new society. Having retired from active work, he was then enjoying a life of elegant leisure. Trumbull, the artist, one of his intimate associates, painted an attractive portrait of him. After 1795, Mr. Watson was also one of the regents of the University of New York. Among his business ventures he bought a large tract of land in Lewis and Herkimer counties, which still remains in part a wilderness. He died May 15, 1806, and was buried at Litchfield, Conn., leaving one son, James Talcott Watson, who died in 1839. His large estate was distributed among one hundred and seventy relatives.

Caleb Bull was the eldest of twelve children of Caleb and Martha (Cadwell) Bull, all of whom lived to marry. Of these, six sons, Caleb, James, Hezekiah, George, Michael, and Thomas are found in the original list of subscribers to the stock of the bank. Caleb, Jr., was born June 16, 1746, and died February 12, 1797. He left an estate of £12,380.

Ephraim Root, the ninth and last in the list of original directors, was born in Coventry, Conn., Oct. 6, 1762, graduated at Yale College in 1782, was admitted to the bar in 1784, and practised law in Hartford. He died in 1825. His brother, Jesse Root, Jr., was a merchant here, dealing in general supplies. They were sons of Hon. Jesse Root, who for over thirty years was almost constantly in public service, becoming chief judge of the Superior Court in 1798. At the age of eighty-one, he was an active member of the Constitutional Convention of 1818.

Able as was the first directory of the bank, that inner body by no means exhausted the talents of the association. Among the stockholders* were many who served their generation well, and quite a large number whose personality was stamped conspicuously on the thought and progress of both state and nation.

Oliver Ellsworth, LL.D., was born in Windsor, Conn., March 24, 1746–7; graduated at the College of New Jersey in 1766; was admitted to the bar in 1771; and soon rose to a commanding position. Having served in the council of the State, he was sent to the Continental Congress in 1777, and in 1784 was appointed judge of the Superior Court.

Judge Ellsworth rendered his most valuable services to the nascent republic in the Constitutional Convention of 1787. In the conflict between differences apparently irreconcilable, Ellsworth and Roger

*A list of the first stockholders will be found in the Appendix.

Sherman proposed and carried through the most important of the three great compromises on which the convention finally united. The large States demanded that representation in Congress should be proportionate to population, while the small States insisted that each should have an equal vote. For a month the point was bitterly contested. At length when the danger of rupture seemed most imminent, Ellsworth and Sherman presented with such force and persuasiveness the method pursued in making up the two houses of the General Assembly in Connecticut that a majority voted to adopt the idea. By the compromise each State has two votes in the Federal Senate, and in the lower branch representation in the ratio of numbers.

Ellsworth strenuously opposed leaving with the States the power to emit bills of credit, and would have extended the prohibition to the federal government also. He was one of the committee which framed the federal judiciary, the crowning work of the convention, which gave vitality to the rest of its proceedings. Returning home he was sent to the State convention called to ratify the instrument.

Judge Ellsworth was a member of the Federal Senate from 1789 to 1796, when he became chief justice of the Supreme Court of the United States. In 1799 President Adams appointed him envoy extraordinary to negotiate, with others, a treaty of peace with France. While abroad he resigned the chief-justiceship on account of ill health. After his return Connecticut imposed upon him various duties, some of which growing infirmities compelled him to decline. He died Nov. 26, 1807.

In a speech delivered in the Senate, Feb. 12, 1847, John C. Calhoun placed the following estimate upon the services of Mr. Ellsworth:

"It is owing mainly to the States of Connecticut and New Jersey that we have a federal instead of a national government — the best government instead of the worst and most intolerable on earth. Who are the men in those States to whom we are indebted for this admirable government? I will name them — their names ought to be engraved on brass and live forever. They are Chief Justice Ellsworth and Roger Sherman of Connecticut, and Judge Patterson of New Jersey. The other States further south were blind — they did not see the future. But to the coolness and sagacity of these three men, aided by a few others not so prominent, we owe the present Constitution."

John Trumbull a century ago was the most popular poet, if not the most popular writer, in America. The manner and matter, the jingle and wit, of "McFingal" so suited the taste and temper of the times that the work soon passed through over thirty editions. Before the Revolution the colonists regarded English poetry and belles-lettres with contempt. Serious concerns pressing upon every side left little leisure for the indulgence of the fancy or the cultivation of the graces. At college the classics, mathematics, and logic tolerated no intrusion upon their ancient domains. After graduation, law, politics, and theology supplied food for the cravings of the educated. Trumbull loved literature for itself, and did lasting good as an apostle of the new dispensation.

He was born April 24, 1750, at Westbury (now Watertown), Conn., springing on both lines from scholarly families. His father was the clergyman of the place, and his mother the daughter of Rev. Samuel Whitman of Farmington, granddaughter of Rev. Solomon Stoddard of Northampton, and great-granddaughter of Rev. John Warham of Windsor. He was remarkably precocious, passing a successful examination for college at the age of seven, though he did not enter till six years later. Having graduated at Yale in 1767, he remained as resident and tutor, writing essays in Addisonian style and wooing the Muses, his first elaborate effort being the "Progress of Dullness."

In November, 1773, he entered the law office of John Adams of Boston.

The first part of "McFingal" was published in Philadelphia in 1775, with the view of goading Congress to decisive action. The poem was not finished till 1782.

Trumbull settled in Hartford in 1781, thenceforth dividing his time between literature, politics, and law. Besides filling many minor positions, he was made district attorney, judge of the Superior Court and of the Supreme Court of Errors. For a while he was treasurer of Yale College, which conferred upon him the degree of LL.D. In 1825 he moved to Detroit, Mich., where, May 12, 1831, he died at the home of his son-in-law, Gov. Woodbridge.

Chauncey Goodrich, eldest son of Rev. Elizur Goodrich, D.D., of Durham, Conn., was born Oct. 20, 1759; graduated in 1776, with high honors, at Yale College, where he taught two years from 1779; was admitted to the bar and settled in Hartford in the fall of 1781. In the lore of the profession he became an ardent and critical student, always basing his arguments upon the broad principles of the science.

In 1794, Mr. Goodrich was elected to the lower house of Congress. Party divisions, heretofore crystalizing around the personalities of Hamilton and Jefferson, now found more solid aliment in the controversy started by the Jay treaty with Great Britain. Mr. Goodrich took an active part in the debates, presenting his case so exhaustively that the leader of the opposition, Albert Gallatin, usually selected his arguments as the texts for his replies.

Resigning, in 1801, he resumed the practise of law in Hartford. From 1802 to 1807, he belonged to the upper house of the General Assembly, and was then promoted to a seat in the United States Senate. In the stormy debates growing out of the embargo and non-intercourse acts, he ably presented the views prevalent in New England. In 1812, he was elected mayor of Hartford, succeeding Thomas Seymour, who had held the place continuously from the creation of the office in 1784. He was holding both this position and that of lieutenant-governor at the time of his death, Aug. 18, 1815. He was a member of the Hartford Convention in 1814.

A conviction that Mr. Goodrich, under all circumstances, must act with strict impartiality and justice, gave him an immovable hold upon his constituency.

Enoch Perkins was one of the most useful and trusted members of the community. Persons nearing the end confided to him the settlement of their estates, and the care of their children. Fair, just, and well-balanced, he was for a long period called upon more frequently than any one else in Hartford to act as arbitrator or referee for the settlement of all sorts of troubles and disputes. It goes without saying, that, like others whose lives are here briefly sketched, he often filled local offices, for the most competent men then expected to devote their energies, when invited, to the service of the public. As an earnest promoter of education, he was long the active trustee of the Hopkins Grammar School, and it is said no boy could gain admission, except on his certificate.

Mr. Perkins was born in Norwich, Conn., Aug. 16, 1760, graduated at Yale College in 1781, studied law in the office of Wm. Channing of Newport, R. I., held a tutorship at Yale, 1784–6, and, in 1786, took up his permanent abode in Hartford. Professionally, he belonged to the class of safe counselors, who neglect nothing in the preparation of a case in the way of either matter or form. He was a member of the commissions which revised the statutes of Connecticut in 1795, and again in 1808, and was prosecuting officer, 1812–18. He died August 12, 1828.

Whether Hudson and Goodwin cared or not for posthumous fame, they unwittingly built for themselves an imperishable monument by an honorable connection with the oldest newspaper on the continent. Established in 1764, the *Connecticut Courant* has long outlived all early contemporaries. Before the Revolution, the prevalent spirit of discontent spoke through its columns. During the long struggle its courage never faltered. Thenceforward, till the contest over the constitution of 1818 brought the democratic forces of the State into prominence, the paper, to the eminent satisfaction of a widely-scattered and trustful constituency, voiced the conservative convictions of New England on matters of morals, religion, and politics. Mr. Goodwin's active connection with the *Courant* covered a period of seventy years, and was not fully closed by his retirement in 1836. He died May 13, 1844, "the oldest man in the town," having been born in 1757. Barzillai Hudson formed a double partnership in 1779, first by marriage with the widow of Ebenezer Watson, the late proprietor, and second, with George Goodwin, whom the widow had already admitted to a share in the business. Mr. Hudson withdrew in 1815.

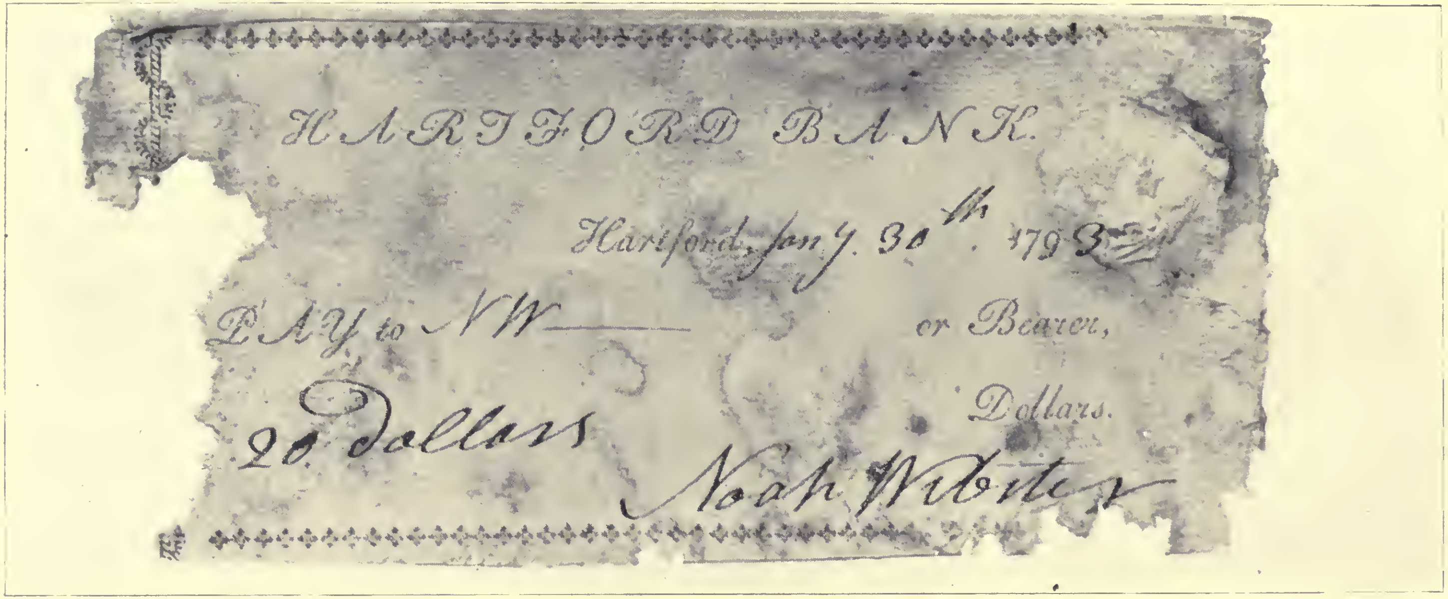
Nehemiah Hubbard resided in Middletown. Born in April, 1752, at the age of fourteen he entered the store of Colonel Matthew Talcott, and after attaining his majority made several trips to the West Indies, as supercargo and master. July 31, 1776, he was appointed paymaster of the regiment commanded by Colonel Charles Burrall. Its term expired January 19, 1777. In May following, General Nathaniel Greene appointed him deputy quartermaster for the Connecticut district. In November, 1780, he left the Continental service to accept a position under Colonel Wadsworth, contractor for supplying the French army, and in this capacity witnessed the surrender of Cornwallis. His executive ability so impressed his associates that Alexander Hamilton, while secretary of the treasury, importuned him to take charge of an institution which he desired to found for the promotion of American manufactures. Settling in Middletown, as a merchant, after the war, he was held in high esteem for sound judgment, public spirit, and liberality. He was president of the Middletown bank, 1808–22, retiring at the age of seventy, and of the savings bank from its establishment till his death, February 6, 1837.

Oliver Phelps, like many others, was drawn into the bank by army associations with Colonel Wadsworth. Born in Windsor, Conn., in 1749, he moved in boyhood to Granville, Mass., and thence, after several years, to Suffield, Conn. He acted as deputy for Colonel Wadsworth, in procuring supplies for both the Continental and French armies. After the war he became a member of the general court, and of the Governor's council of Massachusetts.

New York having ceded to Massachusetts the right of pre-emption to 6,000,000 acres of land in the central part of New York, Mr. Phelps and Nathaniel Gorham of Cambridge, Mass., bought, in 1788, the entire tract for £300,000, payable in the consolidated securities of Massachusetts, in three annual installments. Extinguishing the more primitive claims of the Indians by purchase, they divided the territory into townships and sections. Colonel Hugh Maxwell of Heath, Mass., aided in the survey. The system devised by these parties was adopted by the United States, and with some modifications has been retained. Mr. Phelps, though unable to fulfill the terms of the contract, grew rich rapidly, estimating his wealth, in 1795, at a million of dollars.

When the State, in 1795, disposed of its lands in the Western Reserve of Ohio, for $1,200,000, Mr. Phelps was the largest purchaser. He headed a syndicate of five which invested $168,185 in a single block, giving a bond dated Sept. 2, 1795, and payable on demand, and a syndicate of six which ventured $80,000. He was also a partner on a third bond for $85,675.

The mania for western land speculations was hurrying to a crisis. Not content with the operations already mentioned, Mr. Phelps plunged into


HARTFORD BANK.

Hartford, Jany. 30th. 1793

PAY to NW or Bearer,

20 dollars Dollars.

Noah Webster

the "American Land Company," the "Georgia Land Company," etc., borrowing money and giving mortgages, till the collapse brought him face to face with a mountain of debt on one side, and a mountain of unavailable assets on the other. Crushed in spirits and health by losses, he died February 21, 1809, at Canandaigua, N. Y., whither he had removed in 1802.

Mr. Phelps was the first judge of Ontario County, and the first member of Congress from western New York, serving from 1803 to 1805. The debts of the estate were compromised in a way to save a handsome property for the heirs.

Noah Webster, LL.D., as one of the committee of three, took an active part in procuring the charter of the bank, but his resources were then too slender to allow him to go further. His labors for the education of English-speaking peoples won gold as well as fame, and, in 1817, we find him the happy owner of one hundred and seventy-four shares of the stock. During the intervening years of struggle, though no longer a resident of the city, he had never forgotten the child of his youth.

Thomas Tisdall, an Irishman, resigned the office of paymaster in the British army from sympathy with the colonies, and settled in Hartford, about 1778. The *Gazetteer of Connecticut and Rhode Island*, by Pease & Niles, published in 1819, contains an elaborate eulogy of him, as does the *Hartford Times* for Sept. 8, 1818. He died Aug. 31, 1818, aged sixty-one.

Peleg Sanford, confidential clerk of Colonel Jeremiah Wadsworth, in 1791, addressed to his employer several letters in regard to the establishment of a bank, which are preserved in the valuable collection of Mr. J. F. Morris. Nov. 12th, he writes, that he has been sounding the minds of the principal merchants, and has found them favorably inclined to the project. He thought fifteen or twenty thousand dollars in specie would be sufficient to start with, and enclosed a list of eight persons and firms who agreed to subscribe to the extent of $13,000. Nov. 30th, he reports progress, and in commenting on the latest accessions, adds:

"It must also be much better than to have the stockholders increased to a great number, in which case people of the description you caution me against would unavoidably become subscribers."

Unfortunately, Colonel Wadsworth's cautionary letter is not in the collection, and hence our curiosity in regard to the qualifications deemed essential for admittance to the association must go ungratified.

Gen. George Phillips, a subscriber for $2,000, is quoted as saying that

"There would be no difficulty in getting incorporated if it was *not* known that the subscription was filled, for this reason, that there would be a number in the Legislature who would wish to become subscribers, and would, of course, advocate the bill while they supposed they could subscribe, and, on the contrary, if it was known the subscription was full, they would oppose it violently."

If an eye-witness pictures the situation correctly, queer things came to pass in the shady passages of the antique State house, long before the birth of the railway lobby, and while, as yet, the robust virtue of the lawmaker is supposed to have risen superior to the faults and vices of "modern degeneracy."

Mr. Sanford adds:

"I shall continue to stay any further proceedings till I am favored with your plan of a bank, or have other directions from you on the subject. . . . Twenty thousand dollars was only mentioned as a sum that could probably be obtained, and which, small as it is, would yet answer a valuable purpose, but, there is little doubt, $60,000 or $80,000 can be employed to great advantage, and as there is little danger to be apprehended from a run on the bank, I should think it most assuredly best to adopt the plan you proposed of having two-thirds or three-fourths of the capital consist of six per. cents, or that the directors be impowered to invest such part of the capital in the public funds as they shall judge can be done with safety from time to time."

Afterwards, Mr. Sanford formed a partnership with Daniel Wadsworth, under the firm name of Sanford & Wadsworth, which was dissolved, by mutual consent, Jan. 10, 1798. He then removed to New Haven, and died in April, 1801, on the passage from Charleston to New York.

Jacob Ogden was a hardware and grocery merchant on State street. He came from Newark, N. J., where he was born Nov. 10, 1749. Having sunk considerable money in the State House, he left the city, and in 1804 opened a hotel in New Haven. He died March 30, 1825.

Ezekiel Williams, Jr., elder brother of Thomas S., chief justice of Connecticut, and grandson of Rev. Solomon Williams of Lebanon, was born at Wethersfield, Dec. 29, 1765, graduated at Yale College in 1785, and in early manhood was a merchant in Hartford, where he was also postmaster from January, 1795, till 1803. He was the first to introduce marine insurance here, and at the outset did as much and perhaps more than any one else to give the thoughts of our people a trend toward underwriting. In this connection more will be said of him elsewhere. He married Abigail, daughter of Oliver Ellsworth. He died Oct. 18, 1843.

Amasa Keyes held the rank of lieutenant in the company of Capt. Samuel McClellan of Woodstock, which hastened to Massachusetts after the fight at Lexington. In April, 1775, he was appointed one of the State commissioners for supplying stores and provisions for the troops to be raised. In 1776 he was a captain in Maj. Backus' regiment of light horse, and took part in the campaigns around New York City. After the war he settled as a merchant in Hartford, and was four times elected to the General Assembly.

James Burr, like John Caldwell, John Morgan, and others who have passed under review, suffered severely from the depredations of the French. He owned the brig *Lucy* and most of her cargo, which was captured, March 24, 1798, on the voyage from Demarara to New London, his loss being estimated at $18,717.50. James Burr was the father of Alfred E. and Franklin L. Burr of the Hartford *Times*. He was born Feb. 18, 1766, and died March 16, 1848.

John Chenevard, son of John Michael Chenevard, a native of Geneva, who settled in Hartford about 1723, was born July 29, 1733. He was an active, public-spirited merchant. Having been a member of the council continuously from the charter of the city in 1784 till March, 1799, he was then elected alderman in place of John Caldwell, who had also served without interruption in one or other of the boards during the same period. As the fruit of enterprise and thrift Mr. Chenevard, at his death, October 6, 1805, left an estate inventoried at over thirty thousand dollars, which then passed for a large fortune in Connecticut.

Elisha Colt, when a lad of seventeen, enlisted as a private in the Eighth Connecticut regiment, raised by order of the General Assembly in July, 1775, and remained till the expiration of its term in the following December. Later he became clerk of his uncle, Peter Colt, who assisted Col. Trumbull as supply agent in 1776, and was appointed by Congress, Aug. 9, 1777, deputy commissary-general of purchases for the eastern department, but resigned in 1780 to accept a position under Col. Wadsworth, for the supply of the French forces in America. After the war Elisha Colt was for a time a wholesale and retail dry-goods merchant in Hartford. He was elected comptroller of Connecticut in 1806, and continued to fill the place for thirteen years. When the Society for Savings was organized in 1819 he was appointed first treasurer, and tradition says that for several months he carried home the assets of the bank at night for safe-keeping, and slept with them under his pillow. He was born Feb. 26, 1758, and died Aug. 22, 1827.

Charles Hopkins, son of Capt. Thomas Hopkins, was a prominent merchant and importer, trading largely with the West Indies and making frequent trips to Europe. He was a man of polished manners and cosmopolitan ways. Peter W. Gallaudet married his sister, Jane Hopkins.

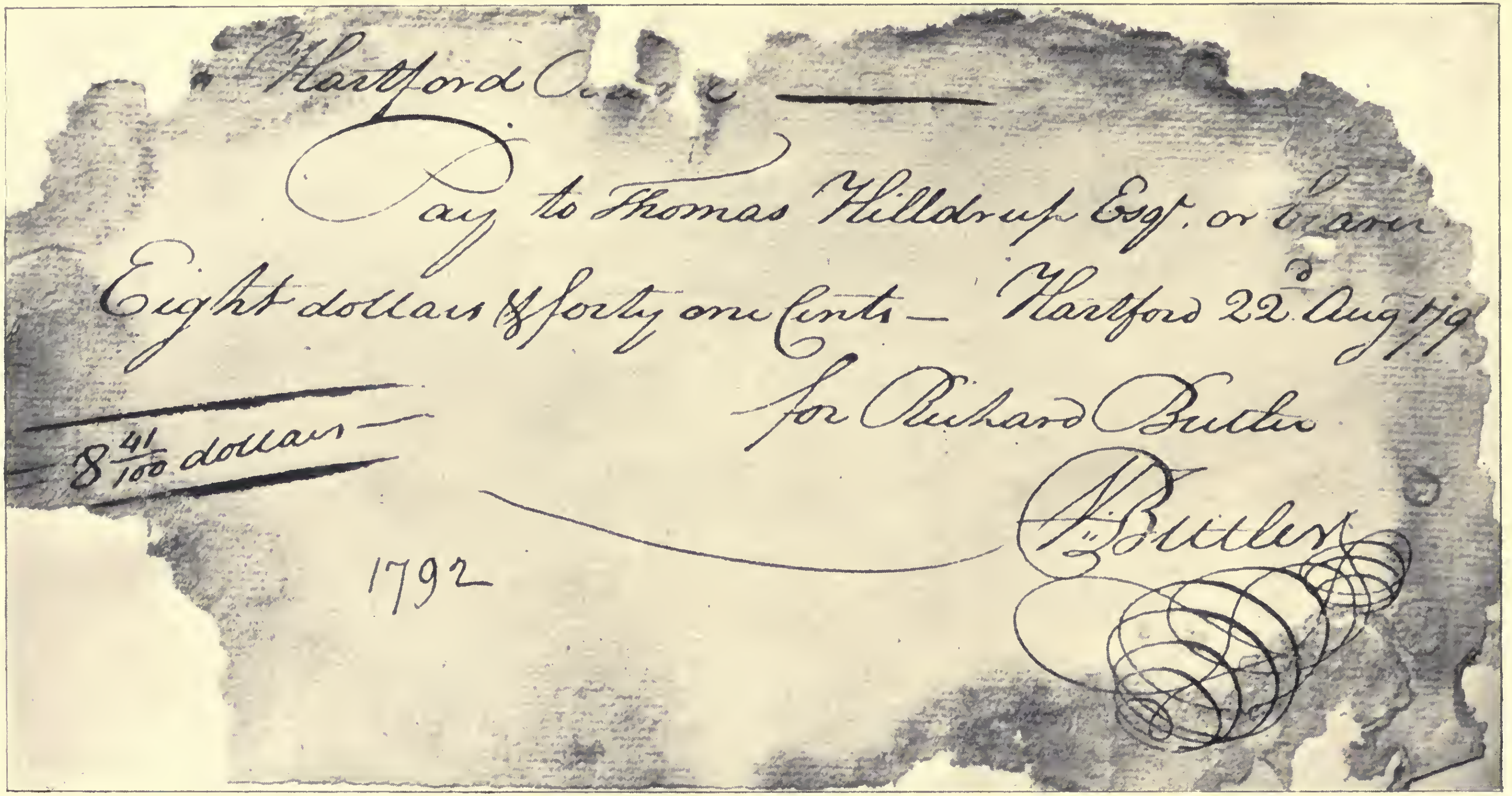
Daniel Wadsworth long held a conspicuous place in the community from his wealth, benevolence, and the comparative elegance of his belongings, but is chiefly known to the present generation from the munificence of his gifts to the public. He was born August 8, 1771, and at the age of twenty-three married Faith Trumbull, daughter of the second governor, Jonathan Trumbull, but left no children. His father, Col. Jeremiah Wadsworth, built for him in 1798 the house on Prospect street, now occupied by the Hartford Club, and there he lived for half a century, having passed away July 28, 1848.

He gave for the site of Wadsworth's Athenaeum land valued at $16,200, and $9,076 in cash subscriptions toward the building, to make room for which the family mansion, erected by Rev.

Daniel Wadsworth in 1730, and afterwards occupied by Col. Jeremiah, was torn down. He bequeathed to the Athenaeum thirty paintings by Sully, John Trumbull, Thomas Cole, Sharpless, etc., and a marble bust of himself. The Connecticut Historical Society was also remembered with a gift of valuable art works.

Mr. Wadsworth left an estate appraised at $233,-193.38. After providing liberal legacies and annuities for the eight children and their representatives of his sister, Catherine (Wadsworth) Terry, the estate was left in trust until the death of the last survivor of the nephews and nieces, when it was to be distributed to their children or legal heirs. This event occurred July 30, 1882. Although during the thirty-four years of the continuance of the trust, over $135,000 had been paid to the beneficiaries from the income, at the end of the period under the management of judicious trustees, the property had increased to $786,042.20.

The foregoing sketches do not exhaust the list of original stockholders. Enough has been said to show the kind of men who came together to found the institution. It was not a promiscuous but a selected body. From the correspondence between Col. Wadsworth and Pelcg Sanford, his confidential clerk, it is apparent that the city and neighboring towns were canvassed with a view to pick out the persons whom for various reasons it was thought desirable to invite into the association. Some doubtless declined. Some required urging. As a whole they were rich in character, in talents, in experience, in memories of services to the infant republic, in almost everything esteemed good except cash. Amid prevailing poverty it required brave and united efforts to provide the needed capital. As we shall see, the initial success gave a new direction to the thought and growth of the town.



Hartford [illegible]

Pay to Thomas Hilldrup Esqr. or bearer

Eight dollars & forty one Cents — Hartford 22d Aug 179

for Richard Butler

R. Butler

$8\frac{41}{100}$ dollars —

1792

CHAPTER IV

EARLY INCIDENTS AND PROGRESS

VERY early, if not at the start, the bank is found located on the south side of Pearl street, a few steps from Main. Such precautions as the ingenuity of the times could devise had been taken for the protection of its funds. The front door was divided into two parts, horizontally. Both halves were sheathed with iron plates, and secured by heavy bars. A strong, oak-incased lock was bolted upon the outer surface of the upper section.

The chest was kept in a subterranean vault, covered by a massive door which was raised and lowered by a pulley. Persons still living remember the ring in a beam overhead, whence the hoisting apparatus was suspended. The chest, bought by Colonel Wadsworth in New York, having done good service in days less perilous to "safes" than these, now reposes among the relics of the Connecticut Historical Society. It is of thin, wrought iron, two feet long, sixteen inches broad and high, with the door on top. A trained porter could carry it off without trouble. That neither the vault nor its contents were ever invaded by felonious hands, reveals the scant progress then made in the art of burglary.

In October, 1838, long after the bank had removed to its present quarters, the premises then occupied as a hat store by Hoadly & Chalker, attracted the attention of a professional cracksman. As he perambulated the unfamiliar streets, the iron door, unchanged through the vicissitudes of forty-six years, started in his imagination a dream of untold plunder. Having stolen a sledge from a blacksmith's shop on Trumbull street, he returned when the town was buried in slumber, for the execution of his purpose. Seven times he struck the door, leaving seven deep dents to preserve the record of his prowess, before the barrier gave way. One would suppose that the clangor breaking upon the midnight stillness would have called a crowd to the rescue, but echoes alone answered to the din. Even the watchman, presumed by trustful citizens to be on duty in the neighborhood, asleep perhaps, or on a lark, or possibly afraid, failed to interfere. He afterwards alleged, by way of excuse, that he thought some one in a great hurry was trying to call up Doctor Sumner, who lived around the corner. It is pleasant to add that the stolen goods were subsequently found under a barn and recovered.

Charles J. Hoadly, LL.D., has a key belonging to the original lock on the outer door. It is of brass, and probably a duplicate made for the use of one of the partners after the conversion of the premises into a store.

The bank began operations with thirty per cent.

of the capital paid in. Nothing survives to tell what the funds consisted of. Were subscription books opened to-day for the stock of a corporation, large or small, about ninety-nine per cent. of the installments would be paid in checks. A little paper currency with a few dollars in coin would be used, if the shares were distributed widely, so as to include people of small means. In 1792, Colonel Wadsworth was, probably, the only person in the city blessed with a bank account. Very little currency was afloat. The bubble of Continental money had exploded twelve years before. By the constitution, no State was permitted to emit bills of credit. An occasional bill from the Bank of North America strayed into Connecticut, but, from extreme rarity, the specimens were more curious than useful. Silver, a motley lot, the coinage of many nations, was scarce, and gold much scarcer. The money in circulation was insufficient to provide for the current exchange of commodities, so that traffic, to no small extent, was thrown back upon the primitive, cumbrous, and costly methods of barter.

Bearing on this point, Doctor Hoadly, in the "Annals" read by him Dec. 23, 1879, at the celebration of the semi-centennial anniversary of the consecration of Christ Church, cites a number of instructive entries from the original subscription paper, dated November 28, 1786, and circulated for the purpose of raising funds to build the first Episcopal church in the city. By the terms of the agreement contributions could be made in money, labor, or any specific articles. John Morgan gave £36, Jacob Ogden £24, John Thomas £20 10*s*., Samuel Cutler £10, all payable in building materials. Major John Caldwell promised £10 in pure spirit. If the worthy founders, from lack of silver and gold, gave rum for pious uses, they were particular that the quality should be the best. John Chenevard promised one hogshead of molasses (110 gallons); Barnabas Deane, £10 in materials for building or in rum; Noah Webster, Jr., £3, and redeemed the promise in seven dozen spelling-books. The Postmaster and two or three others made small cash contributions, all the rest, to the amount of a little over £300, having been furnished in labor, materials, or goods.

During the following six years the situation did not materially change. Public securities had advanced several fold in value and people were more hopeful; but of actual cash there had been little increase.

In view of the general conditions we may reasonably conjecture that at the outset the assets of the bank consisted mainly of the promissory notes of stockholders indorsed by each other, with a moderate sum of silver, a slight sprinkling of gold drawn from old hoards, and possibly a few notes of the Bank of North America.

In his articles on currency and banking in Connecticut, Joseph G. Woodward repeats a story handed down by parties who long kept afloat many curious facts of inner local history.

"One day Judge Ellsworth, who had been elected a director, sat at the board when notes were offered for discount by directors who had mutually endorsed for one another. Against his wish the notes were approved, whereupon he took his hat and, with the remark, 'Mr. President, there is a great deal of hollow ground in Hartford,' departed for Windsor."

The nearer to the date of organization the more abundant was such paper. Judge Ellsworth was far richer than most of his associates, and having his resources well in hand did not need to lean upon others for support.

The Hartford Bank took the lead in introducing the decimal system of notation in Connecticut. June 16, 1792, the directors resolved that the notes to be issued should be made payable in dollars, and, August 26th, that in paper presented for discount amounts should be expressed in dollars and cents. At the time the English method of reckoning by pounds, shillings, and pence was in almost universal use. In different States these denominations bore widely different values. In New England six shillings were equivalent to a Spanish dollar, in New York eight, in Georgia five, in South Carolina thirty-two and one-half, and in Pennsylvania seven and one-half.

Under the lead of Jefferson, who was largely indebted in the matter to the studies of Gouverneur Morris, Congress resolved in July, 1785, that the money unit of the United States be one dollar, and that the pieces to be coined should increase in a decimal ratio. In August, 1786, that body further enacted that the money of account, to correspond with the division of coins, proceed in a decimal ratio, and be expressed in dollars, dimes, cents, and mills.

For a long period the reform progressed slowly. In the revised statutes published by Hudson & Goodwin in 1796, and known as the revision of 1795, the federal notation first appears in our State laws. At the office of the treasurer of Connecticut the change from the English to the American system was made in July, 1797. Up to that time occasional entries on the books in dollars and cents were converted into equivalent values in pounds, shillings, and pence before passing into the final accounts. In many localities the English nomenclature was in common use till the late civil war.

Still the seed scattered by the bank began to sprout early, especially in the minds of progressive teachers. Erastus Root, A.B., of Hebron, issued a manual of arithmetic in 1795. In expounding the superior merits of the decimal system the author enlivens the dryness of rules and examples with a touch of Fourth of July oratory:

"It (the table of federal money) is preferable to pounds, shillings and pence for two very substantial reasons. Firstly, it will destroy the present perplexing difference of currencies in the different States; and secondly, it is much more simple and easy. Then let us, I beg of you, Fellow Citizens, no longer meanly follow the British intricate mode of reckoning—let them have their own way—and us, ours. Their mode is suited to the genius of their government—for it seems to be the policy of tyrants to keep their accounts in as intricate and perplexing a method as possible, that the smaller number of their subjects may be able to estimate their enormous impositions and exactions. But Republican money ought to be simple and adapted to the meanest capacity. This mode of reckoning may seem a little odd at first, but when the coins of the United States come into circulation, it will soon become familiar."

John Sterry & Co. of Norwich the same year (1795) published an arithmetic by Consider and John Sterry, in which they propose to supply "that grand corner-stone of decimating all monies and accompts, as required by the law of these United States, thereby reducing perplexity to simplicity and brevity."

In despite of the stand taken by the federal government it required seventy-five years for the awkward English method of reckoning values to die out in America. A still more impressive exhibition of the inveteracy of habit, of the annoyance and pain caused to the ordinary mind by any attempt to break up rooted associations, may be found in the retention of our artificial and arbitrary scales of weights and measures, in the presence of the simple, scientific, and every way admirable metric system of the French.

As the ancient schools of philosophy had two sets of doctrines, the exoteric for the multitude, and the esoteric for initiates, so the directors of the bank drew up one body of rules for the information of the public and another for the guidance of the board. As already quoted, the first was published in the *Courant*. The second, separated from its twin by a waste of unwritten pages, was buried in the body of the record. In the supplementary code, though so carefully guarded, nothing will be found that needs concealment. Lapses in syntax and spelling will be pardoned to soundness of matter.

"Proposed, relating to Discounting. That all questions be determined by Ballot. That where there is two against discounting a note (unless they withdraw their objection) no discount to be made.

"A note once refused not to be tryed again.

"Any person not punctually paying his note when due, either as Signer or endorser, will be refused any further discount. Any person Suffering his note to be Sued, is to have his name posted in the Bank.

"No reason to be given out of the bank for the refusing a Discount. What passes in the bank not to be spoke on at any other place.

"Approved & agreed to 2nd Augt, 1792."

To pay the debenture of the General Assembly and other demands, the State of Connecticut, October 28, 1793, for the first time discounted a bank note. The obligation amounted to £1,200, or $4,000, and ran for sixty days. It was hoped that sufficient collections on the current tax of 1½*d.* would be made to meet the paper at maturity. By the fifth of December, however, only £522, 13*s.* had been received. Solicitous for the credit of the State, Andrew Kingsbury, treasurer, on that date issued a circular notifying the several sheriffs and collectors that the debt to the Hartford Bank fell due the 28th of the month, and urging them to forward all moneys collected by that time. He tells them that promptness "may possibly save the expense of another discount, and as an accommodation to collectors, Hartford and the United States Bank bills will be received for taxes until furthur information."

During the next three weeks the appeal produced only £8, 9*s*, 8*d.* December 27th, Mr. Kingsbury renewed the paper to the extent of £675, 18*s*, and the second note was taken up February 11th, when the deposits from time to time had become sufficient for the extinguishment of the debt.

For a time the bills of the bank won confidence slowly, especially in rural communities. Not even the character and wealth of the owners and managers could at once overcome the distrust attached to paper money. The experience of the generation then emerging from the shadows of the Revolution had been too bitter to be soon forgotten. The faith of the colonies in the efficacy of the emissions sent forth under the authority of Congress at the beginning of the struggle, came to be equaled only by their disgust for the stuff at the end.

All along the descent toward the bottomless abyss, till either self-deception or the deception of others ceased to be possible, patriots, both in and out of Congress, with a vehemence and frequency proportionate to the growing desperation of the prospect, had in ingenious variety of iteration, declared an unshaken belief in the redemption of every dollar. At a time when the laws of money were little understood by legislators, and when the multitude looked for guidance to the utterances of favorite leaders, it is not strange that the American people learned to doubt whether any kind of paper currency, except for the moment and by artifice, could be maintained on a parity with coin.

Locally the distrust was prolonged by the action of Connecticut in putting out indents for interest on the State debt. The form ran thus:

"For the payment of

No.—— Comptroller's Office 178 (or 179)

I hereby certify that is entitled to receive the sum of Lawful money, out of any funds appropriated for the payment of interest on the liquidated Debt of the State of Connecticut.

£ Comptroller."

These indents, grazing if not overlapping the constitutional prohibition in regard to the emission by the states of bills of credit, continued to be issued in diminishing quantities till well into the nineties, were receivable for taxes, and in a limited way circulated as money at varying rates of discount.

When the farmer was offered for his produce the bills of the new bank he was expected to quote a little household wisdom about "the burnt child," and to express a preference for silver, often in terms too strong to leave the least doubt in regard to his meaning. Meanwhile, the friends of the institution, as occasion offered, scattered broadcast facts and assertions intended to inspire confidence. Piles of coin were temptingly displayed behind the counter. Bills presented by countrymen were redeemed with smiling alacrity. Having gotten the cash so easily, before leaving town they were often persuaded to change back by a convenient "mutual friend," many of that serviceable fraternity being on the alert to inject missionary work wherever it promised to do good. Gradually the course of the bank in keeping every promise to the letter conquered the distrust produced by the miserable fate of colonial and continental issues, and so firmly established its credit that for three generations the wildest financial panic has not caused a tremor in the structure. "As sound as the old Hartford Bank" early in the century became a proverb not only in the Connecticut Valley, but among the settlers on the shores of Lake Erie and beyond.

In one direction the necessity of securing a good name for the bills, by first deserving it, may have acted as a salutary restraint. By the charter, "privileges" were conferred which no banker would now ask or government grant. Section 21 enacts, "That said corporation shall not issue their notes or bills, to an amount exceeding, in the whole, fifty per cent. over and above the capital stock of said bank, and beyond the amount of monies actually deposited for safe keeping in said bank."

An obligation payable on demand was thus permitted to rest, in part, for security upon another obligation of the same party, also payable on demand. We hear occasionally of some plausible fellow who contrives to live upon the interest of his debts — a style of financiering here unconsciously invited by the thoughtless complaisance of the legislature, but, in this case, never abused. The latitude given the corporation, like the longitude of the land grants from Charles II, sprang from unsophisticated lack of knowledge on the part of all concerned. While the managers were opening channels for the currency of the bank, they were also learning in the school of experiment, the only school then within reach, the primary principles of the business.

The steel plates in early use were engraved by Deacon Abner Reed of East Windsor, and for a time the notes were printed in his shop on a hand press. After the erection of the present bank building, the printing was done on the second floor. It is difficult for the present generation even to conceive that less than a hundred years ago mechanical work of the highest excellence then attainable was executed in isolated rural villages.


No. 468
50
The President Directors & Company of the
Hartford Bank promise to pay to
J. Morgan or Bearer on demand FIFTY Dollars
Hartford the 1st day of Decemr. 1802
Fifty D.
Normd. Knox
Cashr. John Caldwell Presidt.
Worthless
Chased

The directors and stockholders of the bank appear among the prominent figures in a movement, divided into several stages, which proceeded, haltingly at first, but afterwards with an energy that, though costly to Connecticut in drains upon the old puritan stock, communicated a distinctive type and an invaluable element to much of the new civilization advancing upon the west.

By the charter of 1662, the colony was bounded on the west by the South Sea, or Pacific Ocean. Subsequent patents to James, the brother of Charles II, and to William Penn, carved from the grant the southeastern angle of New York, and a strip extending southward over sixty miles from the northern border of Pennsylvania. After a bitter struggle, the claims of Connecticut to the lands lying in Pennsylvania were given up in 1782. In 1786, Connecticut ceded to the United States her title and interest to the western domain claimed under the original charter, reserving a tract bounded on the east by Pennsylvania, on the south by the forty-first parallel, on the west by a line parallel to the western border of Pennsylvania, one hundred and twenty miles distant from it, and on the north by the line marking 42° 2′ of north latitude. The tract contained a great many square miles of the waters of Lake Erie, and somewhat less than three million acres of land.

In 1792, the assembly granted half a million acres from the western end of the reserve to certain persons living near Long Island Sound as indemnity for property of theirs burned by the British, and hence known as "fire lands." Citizens of a speculative turn, intoxicated by the enormous profits accruing from the appreciation of government stocks through the success of Hamilton's funding scheme, and looking about for further opportunities, kept up a constant agitation in favor of selling the residue of the property. To enlist the powerful influence of the established or Congregational Church, in 1791 a bill was introduced, but not passed, to distribute the proceeds of the proposed sale among the several ecclesiastical societies for the support of the ministry, thus dispensing with a portion of the tax levied for their maintenance. Two years later the scope of the measure was enlarged so as to embrace churches of all denominations, the avails "to be by them applied to the support of their respective ministers or preachers of the gospel and schools of education," under rules to be adopted by the assembly. As thus doctored, the scheme was carried through the lower house by a majority of thirteen, and through the upper house almost unanimously.

The law provoked discussion, — warm in the pulpit, hot in the press, and stormy often in the informal debating clubs that met nightly at country groceries. It went down in the tempest, and in May, 1795, a substitute was passed devoting the avails to the establishment of our school fund.

A sale of the lands for $1,200,000 was consummated the following November to a syndicate represented by thirty-five, who gave thirty-six bonds to secure the purchase money. The principal fell due Sept. 2, 1800, and bore interest at the rate of six per cent. per annum from Sept. 2, 1797, except of the bond of Oliver Phelps and others for $168,185, which, on account of the magnitude of the sum, viewed in connection with the uncertainty of human events, was voluntarily given on demand.

In the "Connecticut Land Company," at once organized by the purchasers for the purpose of buying Indian titles and of surveying and selling the property, several of the leaders were also active in the management of the Hartford Bank. Two of the three trustees selected to hold and convey the lands for the common benefit were John Caldwell and John Morgan. Enoch Perkins was first and Ephraim Root second secretary. From the inception of the scheme onward the daring genius of Oliver Phelps enlisted recruits, heightened the enthusiasm of the zealous, and steadied the wavering. Nehemiah Hubbard, Elias Morgan, Timothy Burr, Peleg Sanford, and James Bull were connected with both enterprises. Many other stockholders of the bank appear on the bonds given to the State, and some of these, though nominally sureties, had an interest in the venture.

Early events failed to meet the expectations of the promoters. Troublesome questions of jurisdiction arose. Governor St. Clair tried to extend the authority of Ohio over the purchase. The settlers resisted, and in October, 1797, the stockholders appealed to Connecticut for "suitable laws . . . to be administered at the sole expense of the proprietors." The State declined to interfere, except to authorize her Senators in Congress to execute a deed releasing to the United States the jurisdiction of the Reserve. The proposition was duly submitted at the next session, but failed through a disagreement of the two houses.

Meanwhile difficulties thickened around the company. Parties wishing to emigrate declined to buy in a region without government and threatened with still more serious disputes between contestants for the right to govern. Owners hesitated to sell so long as no legal machinery existed for enforcing payments. An ominous cloud, too, hung over the title. By many the claims of Connecticut to the Reserve, derived from the charter of Charles II, were considered too nebulous to sustain her pretentions. Hence doubt tainted every conveyance in the district. Besides, the notes given for the property were hastening to maturity. Finally, after years of struggle, a bill passed both houses and was approved by President Adams, April 28, 1800, which closed the controversy by establishing the title to the soil through the deed from Connecticut. As a part of the settlement the State relinquished to the Federal government forever all claims to territory lying westward of the eastern boundary of New York.

From the interlocking relations of able and determined men to the two associations, we can see in outline how the bank aided the Land company in the contest carried on with unfaltering purpose but varying success, now before the Legislature and now before Congress, to establish the title given by Connecticut. Always open during the day, the directors' room offered a convenient rallying point where the keenest minds of the State could come together to discuss the situation, to repair broken defenses and to contrive new plans of attack. Here converged the lines of intelligence from different parts of the field, and here in emergencies timely loans provided the sinews of war.

On the settlement of the controversy which gave certainty to titles, and established local government within the Reserve, there began an exodus from Connecticut which threatened to depopulate the State. A coast line tempting to maritime adventure was then our main point of advantage. Manufactures, too feeble to attract capital, or to enlist the talents of the brainy, afforded employment to few. From Europe the flow of emigration had hardly begun. A soil, ungrateful at best, seemed trebly sterile in comparison with the exuberant fertility of the broad acres temptingly advertised by the Land company. A rage for moving seized rich and poor alike. To go became the fashion. No prophet protested in the name of the counter-charms of New England. Explorers having made the journey and secured new homes returned to sell their ancestral farms. Numerous conveyances describe the grantors as residents of Ohio. Young people in their plays at social gatherings marched to rude melodies which taught them to dream that toward the setting sun lay an earthly paradise with gates open to welcome them. From hill and valley the procession hurried away. To-day many of our rural towns are scarred and paralyzed by an outflow which has built up the continent to no small degree at their expense. From the year 1800 to 1840 the population of Connecticut crawled up from 251,002 to 309,978, — a gain of twenty-three and one-half per cent. in forty years, or a trifle over one-half of one per cent. per annum.

Meanwhile the Reserve fattened on the prodigal gifts of her parent. The process of transplanting quickened the mental and moral activities of the Puritan stock. Freed from the intolerant and repressive conservatism that then dominated the religion and politics of Connecticut, thrown into a tumult of ceaseless agitation, the emigrants became peculiarly receptive of new ideas. In the Reserve was organized the most intense and persistent crusade against slavery. Through the Reserve ran the main trunk of the underground railway from bondage to freedom, and the hunted fugitive found in every settler a friend. Here, as an inherited theology lost its grimness, humanity grew more tender, and conscience learned to look more to reason and less to authority for the sanctions of duty. Here colleges were thrown open to girls, and women were given an equal chance with men to equip themselves for the battle of life. In a development so swift and many-sided, much fanaticism was inevitable, but its evanescent forms have left few traces of evil to mar the good.

June 12, 1794, the directors "voted that the sum of eight hundred dollars be allowed H. Merrill, as a full compensation for his services as cashier, posting the books and doing all the clerkship necessarily connected with the business of the bank, for the term of one year, commencing the 13th day of June, 1794, to be paid quarterly." The same day they also voted "that the sum of thirty dollars be allowed the cashier as a compensation for employing a runner the two years past."

May 24, 1796, the directors resolved that from the increase of business it was deemed expedient and necessary to enlarge the capital stock to the sum of $160,000, and that to raise the additional $60,000 a subscription be opened under the superintendence of the board. As the limitations on the number of shares that could be held by a single person or corporation, and on the voting privileges of the larger owners, stood in the way of the success of the project, John Caldwell and William Mosely were requested to apply to the General Assembly, then in session, for a modification of the charter. Before the end of the month the legislature passed an act permitting any person, co-partnership, or body politic to subscribe for and hold any number of shares, and allowing to every stockholder one vote for each share held.

Evidently bank stocks had not yet become popular with investors, for the public displayed a manifest reluctance to accept the privilege. New shares were absorbed to the value of $24,400 in 1796; $9,200 in 1797; and $4,800 in 1798, making a total increase of $38,400 in three years. Then for a period the movement halted. Suddenly in March, 1802, with little apparent effort, $69,200 was added to the capital, raising it to $207,600. Steady and remunerative dividends had established the institution firmly in the confidence of the public.

By the introduction of stricter rules the bank was enforcing upon the community habits of promptness and punctuality. Stringent measures were required to put an end to the old slipshod way of meeting obligations. May 17, 1798, the board "voted that in every Instance when a Note remains unpaid (the three days of grace having expired), it shall be the duty of the cashier to give immediate notice to the indorser. In case the note is not paid within twenty-four hours after such notice, that the note be put immediately in suit."

At the recurrence of the annual meeting in June, 1799, Hezekiah Merrill declined a reappointment as cashier. At an earlier period he had been an "apothecary and bookseller, at the sign of the

Unicorn and Mortar, a few rods south of the court-house." His appetite for banking was probably acquired by dealings in public securities at a time when dazzling profits rewarded the bold operator. Soon after his retirement, he opened a grocery.

Normand Knox succeeded Mr. Merrill at a salary of $800 per annum, payable quarterly. His yearly compensation was raised to $900 in June, 1800, and to $1,000 a year later.

During the Revolution, under the protection and patronage of the British government, it was claimed, counterfeiters had aggravated the discredit and hastened the overthrow of the continental currency. Later the fraternity turned its attention to the issues of various banks. The engraving on the genuine was primitive and easily imitated. The Hartford Bank made vigorous efforts to protect the public. June 28, 1802, the directors "voted that upon the exhibits and representations made by Capt. George Woodward of his exertions in detecting a number of persons engaged in counterfeiting the Bank notes of this Bank, the cashier pay Capt. Woodward one hundred and fifty dollars for his services."

During the last decade of the eighteenth century, through its new municipal government, Hartford began to introduce the primary conveniences of city life and to repress the nuisances left behind by the slow recession of agriculture. Graveled sidewalks came in with the bank, and adjoining proprietors were empowered to fence them off from the highway by posts and a single rail. Any person damaging or driving on a foot passage was subject to fine. From time to time various regulations were adopted for the prevention and extinguishment of fires. The wardens, distinguishable at fires by painted caps and white wands "at least five feet in length," were required to make careful inspections and given ample power to remove causes of peril. The common council went doggedly to work to put an end to the pasturage of streets by horses and cattle. Swine in and near the highways, and especially as kept in great numbers at the gin distillery of Norman Butler & Co. on Front street, presented a series of object-lessons that brought the sense of decency to the aid of the authorities. Still step by step the metamorphosis from farm to town met obstinate resistance from the agricultural interest. Thomas Y. Seymour was appointed first city auditor in 1794, with authority to adjust the accounts of the treasurer and to draw orders for the payment of demands against the corporation. He was required not only to present a full statement to the annual meeting, but also to explain at the same time the principles on which all accounts had been adjusted by him. In 1796 the office of city attorney was created, and was filled first by Enoch Perkins. The same year a city market was ordered on Central Row. On many sides were seen evidences of public spirit striving to make the young city a comfortable place of residence.

CHAPTER V

OCCUPANCY EXCLUSIVE BUT BENEFICENT

HARTFORD prospered in the decade following the establishment of the bank. Her population increased thirty per cent., the gain for the State at large slightly exceeding five. Progress was tranquil and unmarked by sensational incidents. The fertile valley of the Connecticut continued to yield bountiful harvests, and the surplus in the form of grain, horses, cattle, beef, and pork, was largely brought hither for sale and export. In the industrial field appear the beginnings of permanence. In 1794 Normand Smith laid the foundations of the prosperous firm now known as Smith, Bourn & Co.

But the most potent agency in upbuilding the town was the bank itself. Before its formation, as we have seen, the hardships inseparable from the prevalent method of conducting exchanges by barter, had become unbearable. Merchants held on tenaciously to the little cash afloat, for each could resort only to his private hoard in case of emergency. Lenders were few and reserves small. Hardly any one held a position to take advantage of opportunities for exceptional profit, which the possession of ready money often affords.

The bank soon changed the whole situation by large additions to the aggregate financial resources of the community, and by the economizing processes introduced through its machinery. Traders found that a credit on its ledger was more convenient and safe than cash in the till, and hence intrusted their funds to its custody. Experience taught the managers that about two-thirds of the deposits could be loaned with safety, and to that extent the bank created a new capital, resting in part on things unseen and incorporeal, but itself none the less real and potent. As the prompt redemption of bills obliterated the distrust caused by the depreciation and collapse of public issues, the volume of circulation expanded, and at least two-thirds of this also was a clear gain to the cash resources available for local uses.

Merchants and others learned to adjust by checks, balances arising on mutual accounts. A large proportion of domestic settlements was made by transfers of credit on the bank ledger without the handling of a dollar. Thus the institution put in operation a set of appliances that manifolded the volume and effectiveness of the funds within reach of the community. Since money constitutes the most generalized and efficient form of value, the introduction of banks immensely facilitated the marvelous growth which has marked the westward march of empire. At different times in almost every part of the country, ignorance, rashness, and dishonesty of management have caused incalculable losses to the public, but such disasters, in every instance avoidable, prove no incurable malady in the system, but illustrate with another class of evidence the danger of intrusting to folly or knavery the manipulation of machinery that calls day by day for prudence, foresight, and integrity.

In the adjustment of accounts between the Confederation and the States the commissioners made their final report in December, 1793, crediting Connecticut with a balance of $619,121. By act of Congress the creditor States on the sums found due to them were allowed interest from Dec. 31, 1789, at the rate of four per cent. per annum, and the several amounts, bearing three per cent. annual interest, were placed to their credit on the books of the United States treasury. Provision was made for funding the principal in United States stocks, on seven-ninths of which the government reserved the option to redeem two per cent. yearly at its convenience.

Heavy expenditures prevented reduction of the public debt till the accession of Jefferson to the presidency. Gallatin, who then became secretary of the treasury, applied the surplus revenues so energetically to its redemption that by 1803, Connecticut was called upon to provide for the disposition of the sums thus paid back to her.

An excellent understanding seems to have existed between the State authorities and the managers of the bank. April 26, 1803, the directors

"Resolved that this Bank in conjunction with the other Banks in the State in case they agree, will in proportion to the capitals of each receive from the state all the monies it now has on hand and also all that it may hereafter have, accruing from the reimbursement of the Capital of its Stock of the U. States, as fast as the same comes into the hands of the State, either on Loan at 6 per cent. per annum, or in payment of shares to be issued to the State. And that John Caldwell, Ephraim Root, John Morgan, and Ezekiel Williams, Jr., be a committee to confer with committees from the Said other Banks, and in conjunction with them to agree upon and take the necessary measures for carrying the foregoing resolution into effect."

There were at the time four other banks in the State, the Union of New London, the New Haven, the Middletown, and the Norwich. The stockholders of the New Haven and Middletown banks joined the Hartford bank in the above proposition. A few weeks later at the May session the General Assembly passed an act authorizing and directing the treasurer of the State to subscribe to the shares of the three banks, according to the terms submitted in their proposal, and to embrace also the banks of New London and Norwich, provided the stockholders of the latter by vote declare their assent to the same conditions within one month after the rising of the assembly. The law enacts that the State shall be entitled to all profits and dividends to accrue from the shares in the same manner as other stockholders, and that it shall have the right, on giving six months' previous notice, to withdraw the whole or any part of the investment. The shares of the State were not transferable.

The law further provides that after any moneys are so paid to any of said banks, the comptroller shall be furnished, as often as he may require, not exceeding once a month, with a statement of the capital stock of such bank, and of the debts due to the same, of the moneys deposited therein, of the notes in circulation, and of the cash on hand; and shall have a right to inspect such general accounts in the books as relate to the statement rendered.

Here appears the first attempt in Connecticut at the supervision of our banks by the State authorities, and the initial step was taken not for the protection of depositors or bill-holders, but the investments of the State.

It is also enacted that in case the paid subscriptions to any one bank shall exceed five thousand dollars, the General Assembly may appoint, or provide for the appointment of, a director, to have the same powers as the other directors. The law reserves the right to make further investments on the same terms with other moneys than those accruing to the State from the redemption of federal stocks.

May 24, 1803, the stockholders voted to admit the State as a stockholder, and to allow it to invest all or any part of the moneys accruing or to accrue from the payment of its holdings of federal funds, and that it be entitled to all profits and dividends on the shares subscribed and paid for in the same manner as other stockholders. The committee appointed April 26th were directed to carry the resolution into effect. In the course of the next six years the State made the following subscriptions to the stock of the Hartford Bank:

	No. of Shares.	Par Value.
1803, Dec. 10,	60	$24,000
1805, Dec. 13,	28	11,200
1806, June 14,	6	2,400
1807, Dec. 12,	35	14,000
1809, Dec. 13,	32	12,800
	161	$64,400

March 7, 1805, the stockholders resolved to increase the capital by $118,400, to open a subscription for the purpose on the first of May, and to allow any one purchasing and paying for the new shares before June 13th to receive the same at $450 each — an advance of 12½ per cent. on par. Provision was made for an adjustment of rights in case of over-subscription.

When the term expired, only $34,400 had been taken. At the annual meeting, June 13th, authority was given the directors to keep the books open till the first day of October, and they were empowered to modify the conditions with the proviso that if future subscriptions were admitted at an advance of less than 12½ per cent., so much should be returned on the shares taken between April 1st and June 13th, as would reduce the premium paid by all to an equality. To broaden the movement, parties so desiring were permitted to take half and quarter shares. The premium, now lowered by the directors to five per cent., did not go into a surplus but was distributed as a bonus among the holders just prior to April 1st.

Tempted by more favorable terms, the subscriptions between the annual meeting and the end of the year reached $151,200. Still the ambition of the board was not satisfied. January 15, 1806, they secured an extension of authority till the thirteenth of the following June, and at the expiration of the period further additions, aggregating $128,000, brought the total capital up to $545,200.

May 9, 1806, led astray by the delusive grandeur of mere size, the shareholders took a step which opened the door to injustice, and caused much trouble in after years, when, under more skillful leadership, the bank attained to enduring strength through an ample surplus, for they voted to receive subscriptions at any time within five years for any number of shares from any religious societies or school corporations in Connecticut, on terms similar to those arranged with the State. John Caldwell, Nathaniel Terry, and George Goodwin were appointed a committee to apply to the General Assembly, then in session, for authority to carry the resolution into effect.

An act inspired, and presumably prepared in every detail by representatives of the institution, was passed in May, 1807. It authorized an increase of the capital stock to one million of dollars. On the first day of the following September, and on the first day of September in each successive year thereafter, till the amount of five hundred thousand dollars were added to the existing capital, the directors were required to open subscriptions for shares for a sum not exceeding fifty thousand dollars, to keep the same open at least ninety days after due advertisement, and to admit any citizen of the State upon paying four hundred dollars for each share, with an advance thereon of four per cent., the advance to be divided among the stockholders at the time of opening the several subscriptions.

As shown by the disposition of the premium, the importance of accumulating a surplus had not then dawned upon the bank or the public. Dividends varied with current earnings and losses, withdrawing the residuum of profit and leaving no reserve for repairs in case of disaster.

Section six required the bank to be open at all times to subscriptions of shares from the funds of schools, ecclesiastical societies, or other incorporations for charitable purposes in the State, without any advance thereon, and with the right on the part of the privileged associations to withdraw their moneys on giving six months' notice. Whenever the holdings of any favored society reached fifty thousand dollars, the full capital of a million having been otherwise filled, it was entitled at the annual meetings to the choice of a director. These shares were not transferable.

In June the stockholders voted to approve and accept of the law, which thus became a part of their charter.

After a time the bank perceived that hardships were liable to be imposed upon the ordinary share-owners by the option granted to the State and to privileged societies. If the price of the stock fell, no matter how low, with the failure of dividends in seasons of misfortune, these could after due notice surrender their certificates at par. If, on the other hand, profits and prices rose in a way to make the investment desirable, they could also purchase at par, thus both diminishing a premium earned by the capital and efforts of others, and appropriating benefits to which they had made no contribution. Accordingly, in June, 1809, the directors were authorized to present to the General Assembly at some future session the request that the State withdraw a part of its holdings, or at least make no additions to the amount, and so alter the charter as to release the bank from the obligation to receive subscriptions from charitable societies, and from individuals.

As often happens, the institution learned too late that it is much easier to get into trouble than to get out. From self-sought shackles it found no escape till it entered the National system in 1865. Till then it was held to strict compliance with the requirements of the law of 1807. Individuals eagerly absorbed the annual increment of $50,000, while charitable and religious societies were equally active. By December, 1816, the capital reached $1,212,800, of which $1,000,000 was transferable, and $212,800 non-transferable.

In May, 1802, the General Assembly enacted that from the first day of the following September, no bank in the State should issue any bill or note for a less sum than one dollar, and prohibiting the circulation of such notes issued elsewhere. Not from books but from experience the people had learned the law that paper drives out specie to the lowest denomination to which it is issued.

One of the rules adopted before the bank began business provided that the term of discount should not exceed forty-five days. A few weeks later the limit was extended to sixty, and in September, 1805, to sixty-one days. In December, 1809, an enlargement of the limit to ninety days was improved to enforce another lesson in punctuality, for borrowers were notified that on all notes and bills running for this period a payment of twenty per cent. would be expected at maturity, and that no renewal note would be received or entered on the books, if written for a greater sum than four-fifths of the principal falling due.

About this time manifestations of the monopolistic spirit became more visible. In 1809, the directors voted that no loan on any note or bill should be made to any person thereafter for less than one hundred dollars, or for renewal for less than sixty dollars, that no notes or bills for less than sixty dollars should be received for collection, or unless lodged at least three days before falling due, and that the bank would not be accountable for any errors or loss accruing from omission to give notice to drawers or endorsers. Such rules seemingly belong to a period so archaic that the business men of to-day comprehend with difficulty the conditions which made their enforcement possible. Complaisance comes from competition.

In September, 1812, the board voted to contribute one hundred and fifty dollars to the city to aid in procuring a fire engine and "otherwise arraying the city to repel fire."

The seeds of underwriting were planted early in Hartford by men closely identified with the bank. Indeed, both lines of activity sprang from a common parentage. From greater breadth of opportunity the younger child has become the famous member of the family. Early in 1794, Sanford and Wadsworth opened an office for the purpose of insuring houses, furniture, merchandise, etc., against fire. Policy No. 2, issued February 8, 1794, insures the houses of Wm. Imlay one year for £800, at the rate of one-half per cent. It is signed by the firm "for the Hartford Fire Insurance Company." The persons forming the company are not disclosed. The phrase may have been used as an embellishment. Jeremiah Wadsworth, John Caldwell, Sanford & Wadsworth, Elias Shipman, and John Morgan, July 27, 1795, entered into a co-partnership "for the purpose of underwriting on vessels, stock, merchandise, etc., by the firm of the Hartford and New Haven Insurance Company." John Caldwell was appointed agent for Hartford, and Elias Shipman for New Haven.

Local marine insurance — begun in 1799 — crystalized around Ezekiel Williams, Jr., and was carried on not by an organized association, but by combinations, variable in *personnel*, the members of which agreed to take each a specified amount in the different risks. Mr. Williams formed the groups, collected the premiums, kept the records, investigated claims, and paid losses. The assurers agreed to bear perils of the —

> "Seas, men of war, fires, enemies, pirates, rovers, thieves, jettisons, letters of mark and counter-mark, surprisals, takings at sea, arrests, restraints, and detainments of all kings, princes, or people, of what nation, condition, or quality soever; barratry of the master (unless the assured be the owner of the vessel), and mariners, and all other losses, perils, and misfortunes, that have or shall come to the hurt detriment or damage of the said vessel or any part thereof, for which assurers are legally accountable."

From the West Indies to towns on the Connecticut River or to New London, the premium ranged generally from five to eight per cent., according to the liberty granted of touching *en route* at one or more ports on the islands. For the round trip it often ran up to fourteen or fifteen per cent., with an abatement of three or four per cent. in case of safe return. For the premium it was the custom of the assured to give their notes payable out of the profits, or at the close of the venture. No liability was incurred for a loss under five per cent., unless in case of general average.

The amounts written by the several assurers on a single vessel and cargo ordinarily ranged from one hundred to six hundred dollars, and the number joining in the contracts from three to ten or twelve, according to the magnitude of the aggregate liability. Certain names appear on scores, if not hundreds, of these policies. Among them are John Caldwell, Normand Knox, Ezekiel Williams, Jr., Michael and Thomas Bull, John Chenevard, Samuel Lawrence, Hudson & Goodwin, Thomas Sanford, Spencer Whiting, John Morgan, and others.

During the Napoleonic wars our carrying trade, stimulated by enormous profits for brief intervals, passed through long periods of harassment and robbery from the disregard of the belligerents for neutral rights, and later suffered hardly less from the retaliatory measures adopted by our own government. The books of George and John Pierce, afterwards Pierce & Beach, from September, 1799, to November, 1812, lay open the character of the foreign traffic of the Connecticut valley, and the difficulties which then beset it. Exports to the West Indies embraced horses, cattle, hay, lumber, hoops, staves, flour, corn, corn meal, potatoes, oats, beans, onions. tobacco, cheese, lard, rice, beef, pork, butter, crackers, etc. With the growth of urban population the domestic consumption long since overtook the domestic production of these articles, and omitting leaf tobacco, the soil of the State now supplies but a small fraction of the subsistence of her people.

Imports consisted mostly of rum, molasses, sugar, and salt.

To the masters, selected for sound judgment and versatile gifts, wide discretion was allowed. Live stock was usually consigned to some dealer on the islands, and the in-board cargo to the captain. After the first landing he was authorized to proceed to other ports at his discretion, according to the state of the market and existing political conditions — then a highly variable quantity in calculations reaching a few weeks ahead.

With the old books spread out before one, it is hard to resist the temptation to give copious extracts from the instructions of the owners to the masters. A few must suffice.

April, 1804, George Pierce thus instructs Capt. Levi Goodrich, of the schooner *Lydia*, bound for Barbadoes:

"You will be particularly careful not to do anything that shall get you into difficulty by going into a blockaded port, taking on board contraband goods, etc. Having full confidence in your abilities and integrity I shall leave the business of the voyage to be conducted as you think will be most for the interest of the concerned. You will not fail to write every opportunity, mentioning your sales. Wishing you a pleasant voyage and short passage," etc.

John Pierce, supercargo of the brig *Ontario* bound to Surinam, John Deshon, master, in June of the same year is directed:

" . . . . If you get sugars you will be careful to get those of a good quality and in good order. Be particularly careful that your molasses is in good order, as the voyage depends on getting good goods and in good order. You will not get any rum at Surinam or Demarara, as the quality is bad, and will not sell."

During the continuance of the embargo from December, 1807, till March, 1809, the traffic was entirely suspended. George Pierce died in 1806, and in 1809 John Pierce formed a partnership under the firm name of Pierce & Beach, with George Beach, who had now reached the age of twenty-one, and who while still a mere lad had filled well the position of confidential clerk of the house. Later, Mr. Beach was long president of the Phœnix Bank.

During those troubled years a well-defined policy is enjoined in instructions from the home office. Captains are directed to have their papers "fair and correct," to comply with the laws, onerous as these were, to avoid blockaded ports, to take no risks for trifles, to shun dangerous complications, to sell for coin whenever possible on account of the depreciation of paper, and to buy goods of the best quality. Trained amid perils and compelled to meet rapidly changing conditions, the masters became adroit diplomats as well as skillful sailors and traders. The record covers a dozen years, the last voyage before the war having been made to St. Bartholomews by the brig *Samuel*, in the fall of 1812.

Educated by long practice in the principles and methods of underwriting, the city in 1810 centralized its scattered efforts by organizing the Hartford Fire Insurance Company. The capital was fixed at $150,000, of which ten per cent. was to be paid within sixty days from the passage of the act granting the charter, and the remainder in notes secured by mortgage or indorsement, payable thirty days after demand by the president and directors.

The company was chartered at the May session of the General Assembly. June 27th, the directors voted that the money received upon the first installment be deposited in the Hartford Bank until further order. November 14th, they voted that Nathaniel Terry and Nathaniel Patten be a committee to obtain by subscription or purchase, at discretion, a number of shares not exceeding forty in the stock of the Hartford Bank, and that the pecuniary funds of the company be transferred to them for the purpose. "Also that they obtain a loan from said bank of such an amount as they shall judge requisite to effect said purpose."

As the par of the bank shares was then $400, and they sold at an advance of four per cent., the committee would have required $16,640, had they decided to go to the limit of the discretion allowed to them, while the cash installments yielded but $15,000 to the company. November 27th, $16,224 were placed to their credit. Conservative counsels, however, prevailed and they contented themselves with the purchase, December 13th, of fourteen shares at $5,824, returning the balance of $10,400 to the treasury. October 29, 1817, the investment reached one hundred shares, bought at a total cost of $43,-684.25, or an average premium of .0921.

The insurance company now hold 556 shares of the bank stock, par 100, representing a total cost of $63,962.75, and at the close of the year 1891 it had received in dividends from this source, $323,514. Purchases were intermitted from May, 1819, to May, 1854. During the entire period only two shares have been sold.

Close and cordial relations between the two institutions have been maintained uninterruptedly. From June 22, 1810, to the present time the insurance company has kept a continuous account with the bank, and it was an exclusive account, till 1863, when a supplementary account was opened with Dabney, Morgan & Company of New York City.

The embargo of 1807, and the subsequent non-intercourse acts proved singularly oppressive to New England. Exports from the United States fell from

$110,084,207, in 1807, to $22,430,960, in 1808. On imports the duties received at New London dropped from $201,838, in 1807, to $98,107, in 1808; $58,417, in 1809; and $22,343 in 1810. Meanwhile the shipping owned by the enterprising merchants of Hartford lay idle and rotting in the river. To commercial suffering was added the humiliation of the slow discovery that the restrictive measures enforced by the government were more injurious to our own people than to the nations at which they were aimed. In October, 1807, the General Assembly of Connecticut sought to ease the pain by authorizing the banks of the State "to issue post-notes, payable to order and at a time subsequent to the issuing of the same, any law to the contrary notwithstanding."

Little attention was paid to the highways of the State, which were consequently very primitive, till near the end of the last century, when a mania for building turnpikes broke out and spread till the introduction of railways suddenly killed the industry, leaving the certificates of ownership valueless in the hands of the holders. During the period about one hundred and twenty charters were granted by the General Assembly. Among the earliest was the Hartford and New Haven, incorporated in October, 1798. Its capital was divided into eight hundred shares, the par depending on the cost of construction. Two hundred and forty-four shares were placed in New Haven, of which James

Hillhouse took one hundred and fifty. Hartford subscribed for five hundred and twenty-one, almost the entire amount going to the "bank crowd." Jeremiah Wadsworth took 110, Oliver Elsworth 150, Hudson & Goodwin 100, Aaron Olmstead 50, John Morgan 25, John Caldwell & Co. 20, Oliver Mather 20, Ezekiel Williams 10, etc. A few diminutive lots were held in the intermediate towns.

The first meeting of the company was held at the State House in New Haven, April 10, 1799, when Jeremiah Wadsworth was chosen president, James Hillhouse and Aaron Olmstead directors, Oliver Mather clerk, and Simeon Baldwin treasurer. An assessment of fifty dollars on each share was laid, payable at such times and in such proportions as the president and directors should appoint.

The cost, as found by the commissioners in 1803, amounted to $77,180.93. Since this was long before railway financiering had taught the art of sophisticating accounts pertaining to construction, it may be assumed that the estimate was as near correct as honest men could make it. The projectors anticipated an annual income of twelve per cent. from the investment, but suffered disappointment. The yearly excess of tolls over cost of collection and ordinary repairs climbed up slowly to 1½, 2, and 2½ per cent. on the capital, and in 1836, as if to mock the stockholders with the delusive brightness of blessings about to take their flight, the apparent profits reached 3 per cent.

October 26, 1811, the bank moved into its present quarters on State Street. For Grecian symmetry and obvious adaptation to uses required, the edifice, after the lapse of eighty years, in the presence of imposing architecture of recent date, still remains one of the most attractive in the city. The dome over the front room was added about the year 1820, and as a work of art both in form and decoration, bears the closest study.

CHAPTER VI

A RIVAL AND A REVOLUTION—WAR AND PANIC

DURING twenty-two years the bank grew in strength and influence without a rival. For solidity and enterprise it had become one of the best-known institutions of the country. On converting his superfluities into money, the emigrant preferred its bills to gold. From the motley currency of the period these were carefully laid aside for a wet day or a pressing call, as far westward as the axe of the frontiersman had pushed the outposts of civilization. Around home nearly every enterprise undertaken for the public benefit or for private gain was conceived and executed by parties drawn together by the centripetal attraction of its affairs.

But in a prosperous and forceful community this state of things could not continue. Antipathies and repulsions of various source and intensity perform functions in the evolution of society hardly less noticeable than the more gracious qualities which cause congenial spirits to combine for common ends. The Athenians tired of hearing Aristides called "the Just."

The crisis came in 1814. Ambitious and worthy men, desiring seats on the platform raised aloft for the financial magnates of the town, and finding the chairs pre-empted, determined to build a platform of their own. Politics and churches were drawn into the controversy. In its progress, ancient affiliations were broken up, and heterogeneous elements united for the overthrow of the old order. When the question of chartering a new bank was raised, the political situation was somnolent from one-sidedness. Any radical change seemed impossible. However, a coalition was gradually formed which shattered the power of federalism in its last stronghold, and divorced church from state in Connecticut.

Before the spring session of the assembly in 1814, printed petitions were circulated about the State, offering in return for a bank charter with a capital of $1,500,000, "in conformity to precedents in other States, to pay into the treasury of this State, for the benefit of the State, the sum of $60,000 to be collected by a tax or premium of four per centum," etc. Although many signatures were obtained the application took another form, evidently from recognition of the need of enlisting sectarian and local support. The petition presented was signed by three citizens only. In this it was suggested that the bonus be appropriated to the uses of Yale College, of the medical institution in New Haven, and of the Bishop's fund. The right to establish a branch at Litchfield was also asked for. Litchfield county had valuable votes but no bank. Yale College was a pet of the Congregationalists. In the proposed contribution to the Bishop's fund, a toothsome bait was thrown to the Episcopalians, a denomination singled out for special favor, not only on account of its wealth and influence, but from personal bias on the part of leaders in the movement. The Hartford Bank prepared to resist the scheme. At a meeting of the stockholders on the 5th of May, it was

"Voted, that Nathaniel Terry, John Caldwell, Andrew Kingsbury, George Goodwin and John Morgan be and hereby are appointed a committee to apply to the General Assembly at their session in May instant, either to increase the Capital of this Bank on such terms and to such an extent as they may think proper; or to discharge the Bank from the obligation they are under to receive any further subscription to its Capital according to the law passed in May, 1807, if they should deem the same to be expedient, and generally to represent this Bank, and to act in its behalf in all matters affecting its interests which may come before said assembly."

In pursuance of the policy adopted by the stockholders the directors presented a counter memorial offering to add one million of dollars to the capital of the bank and pay the State a bonus of five per cent. on the same, if in the judgment of the General Assembly more banking capital was needed.

The inevitable correspondent, in the *Courant* of May 17th, sounds the customary note of warning. After explaining the effect of a redundancy of currency in depreciating its value, "Probus" proceeds:

"But the continual multiplication of banks and manufacturing institutions with the privilege of issuing bills of credit, is a subject of just alarm to the community. The power of creating these monied institutions is exercised by the State legislatures, which appear to be governed by local views, without any general regard to the state of trade. Assailed, at every session, by applications from companies of men, who want to be bankers, they seem to attend more to the gratification of individuals, than to the effects of a deluge of paper upon the commerce of the country. The creation of forty-one banking institutions in Pennsylvania at a single stroke is the most bold and inconsiderate step perhaps ever taken on this subject — and shows manifestly how little competent popular assemblies are to manage the concerns of commerce. In other States the same indiscretion is manifested, though in a less degree — and where the evil is to stop, no man can predict. It is an undoubted fact, that the quantity of medium in our country, now circulating, is far greater than the trade of the country requires, or will long bear, without a serious catastrophe. Nor is the practice of purchasing charters, by liberal donation to the State treasuries, to be viewed without extreme anxiety. The corrupting influence of such a practice cannot but be obvious; and once introduced, that influence will swell like a torrent, which no public or private virtue will be able to resist. Let those who question this position acquaint themselves with the history of the legislature of New York for a few years past. If our State legislatures have not wisdom to foresee the effects of the rage for multiplying monied corporations, and firmness enough to set limits to it, the trade of this country must, at no great distance of time, experience serious embarrassments that will eventuate in great public and private losses, and perhaps in a more general calamity."

An act incorporating the new institution passed the House but failed in the Council. Before the committee of conference reported, a modified act granting a charter to the Phœnix Bank passed both branches. Its capital was fixed at one million of dollars, privileged societies being allowed to take at par additional non-transferable shares.

At the same session, the Assembly resolved that —

> "Out of the first monies which shall be paid into the treasury of this State, in pursuance of the act incorporating the Phœnix Bank, the treasurer shall . . . pay the sum of $20,000 to D. Daggett, Wm. Leffingwell, and Charles Denison . . . trustees . . . for the use and benefit of the Medical Institution of Yale College."

The council also voted to appropriate $10,000, accruing from the bonus to the Bishop's fund, but the resolution was lost in the lower house. In October, 1815, both houses concurred in rejecting the claim of the Episcopalians. Thus the manner of granting the charter exasperated a church formidable from numbers, wealth, culture, and compactness of organization. They contended that in following the petition only so far as it favored the "standing order," the General Assembly had violated an implied pledge. A further grievance arose from the persistent refusal of the dominant church, as represented in the Legislature, to grant them a college-charter. Ugly feelings provoked ugly words. The pens of the disputants were dipped in gall.

Sectarian bitterness overcame political cohesion. In 1816, the Episcopalians reinforced the Methodists, Baptists, and other opponents of Congregationalism, and all made common cause with the Jeffersonian democracy for the overthrow of a system which, as they alleged, ignored their rights. In 1817, the *Hartford Times* was established to voice the demands of "toleration," the shibboleth of the new party. On the conservative side were arrayed the federalists, the Congregational church, the *Courant*, and the Hartford Bank. Through four years, in face of continuous losses, they fought with dogged resolution to save a system that had ceased to suit the temper of the times.

The coalition nominated Oliver Wolcott for governor, and Jonathan Ingersoll of New Haven for lieutenant-governor. Wolcott succeeded Alexander Hamilton as secretary of the treasury, and held the office till near the end of Adams's administration. Ingersoll, a trustee of the Bishop's fund, was a federalist. At the spring election Wolcott was defeated, but Ingersoll by the aid of federal votes was successful.

Alarmed at the strength of the opposition, the federalists made concessions which merely irritated the sores. In October, 1816, the General Assembly distributed about five-sixths of the balances due from the United States to the State, on account of expenditures for defense in the late war, to trustees for the use of the Congregational, Episcopal, Baptist, and Methodist denominations, and to Yale College, giving to the Congregationalists the lion's share, a somewhat ungracious way, in the light of previous favors to that body, of tendering an olive branch to the disaffected.

In 1817, both Wolcott and Ingersoll were elected with a favorable majority in the lower house. In the spring of 1818, the victory of the "tolerationists" was made complete by carrying two-thirds of the council. Only four years earlier, before the apple of discord had been thrown, John Cotton Smith, the federalist candidate, received 9,415 votes for governor, and Elijah Boardman, his democratic competitor, 2,619. Never till then had such a cyclone swept over the land of steady habits. Before the end of the year the constitution under which the people of the State have since lived was formed and adopted.

It is doubtless true that this controversy, in which the Hartford Bank bore a leading and happily a losing part, only hastened an inevitable revolution. Be this as it may, the event marks an epoch in one of the most instructive and fruitful experiments in self-government.

The constitution adopted in 1638–9 by Hartford, Windsor, and Wethersfield, the first written constitution known to history, lodges the supreme power of the commonwealth in the general court as the representative of the people from whom it derived its existence. The court was impowered to make and repeal laws, to levy taxes, to admit freemen, to dispose of lands, to punish crimes and misdemeanors, and to deal in any other matter that concerned the good of the commonwealth, except the election of magistrates, which was left to the whole body of freemen. No sovereignty was recognized outside of the parties to the compact. Here in the wilderness a handful of men, having put an ocean between themselves and the oppressions of tyranny, were the first quietly but firmly to announce the doctrine that the people have the right to order their own affairs with a view solely to their own good.

The charter of 1662, from Charles II, made no change in the situation, but was successfully assumed to confirm to the colony the privileges previously enjoyed. It was an ingenious instrument, drawn up with great care in Hartford, and signed by the youthful monarch in a rare paroxysm of good sense. After conferring upon the colony the ordinary attributes of a body politic and corporate, it impowers the inhabitants to choose yearly a governor, deputy-governor, and twelve assistants, to admit freemen, to hold general assemblies, to establish courts, ordain laws, impose fines, and punish offenders. The "governor and company" are authorized for the defense and safety of the colony to "put in warlike posture the inhabitants," and to commission suitable persons to command such forces. Other loving subjects of the crown are not to be hindered from fishing on the coast, or from erecting on waste land wharves and stages necessary for the drying and salting of their fish. To this skeleton, purposely left bare, the people supplied flesh, blood, and a living spirit.

Ardently religious and finding in dreams of heaven the strength to bear with fortitude the ills of earth, the freemen of Connecticut invoked the aid of the law for the upbuilding of the church of their love. To perpetuate usages at length vaguely threatened by growing diversities of population and opinion, in 1697 the court enacted that the several towns and plantations in the colony should pay to their respective ministers of the gospel the sums or salaries agreed upon between them, by a tax assessed on the inhabitants of each according to their estates. Two years later a pastoral settlement assented to by the major part of the householders of a society was made binding on all. That the wayfarer might not miss the road from lack of guide-board, the assembly, in October, 1708, ordained that all churches within its jurisdiction, uniting in the doctrine, worship, and discipline approved by the synod which met at Saybrook the previous September, should "be owned and acknowledged, established by law." An act passed in May of the same year permitted sober dissenters to worship separately, but without relief from the tax imposed for the use of the Congregational ministry.

From 1727, members of the Church of England were permitted to pay the taxes collected from them for the support of the gospel, to the settled ministers of their own denomination. Two years later a similar relaxation was made in favor of Quakers and Baptists.

No further breach in the walls was effected for two generations. At length, to still forever the murmurs of discontent, a concession, supposed to be final, was granted. By the law of October, 1791, any dissenter from the worship of the standing order, electing to join any other denomination of Christians, by lodging a certificate thereof with the clerk of the society, was thereupon exempted from the payment of further taxes for the support of the Congregational ministry, so long as he continued to attend ordinarily the church of his choice. The ancient power of levying taxes on members for the salaries of ministers and for the erection and repair of meeting-houses was extended to all Christian sects.

Such, in part, was the situation in Connecticut when the prosperity of the Hartford Bank brought forward a competitor, and the quarrel arose over the disposition of the bonus paid for the new charter. In the fight for the retention of supremacy Congregationalism and the political oligarchy closely allied to it were pitted against the field. With the expansion of secular interests the people had been growing less theological, and hence less sympathetic with a theocratic trend of civil government.

Many were indifferent. Scientific generalizations were producing mental conditions incongruous with certain phases of old beliefs. In view of the insurmountable limits of human knowledge, reverent minds, even in the strongholds of puritanism, began to doubt whether creeds could be anchored upon the billows of an unfathomable sea, and whether any ecclesiastical mint was divinely commissioned to coin the infinite into legal tender and force its acceptance in final settlement of questions that besiege forever the human soul.

Reasons connected with the administration of justice and the election of assistants also satisfied many that the State had outlived the system slowly built up on the generalities of the charter of 1662. The legislative and judicial functions of government were not definitely separated. At will the General Assembly reviewed and overturned the decisions of the judiciary, in effect making a miscellaneous body, composed in one branch mostly of farmers, the Supreme Court of the State. Concrete cases arose which convinced thoughtful minds of the unwisdom and danger of this undefined distribution of authority.

Members of the upper house were elected annually from the State at large in a way to make the body virtually self-perpetuating. Vacancies seldom occurred except through death, senility, or promotion to higher office. Otherwise the same men met year after year, a miniature house of lords, elective in form rather than in fact. By an act passed in 1801, freemen, when voting for assistants or representatives in Congress, were required to rise, or, if the accommodations were insufficient to admit of seating, to hold up the hand. The law, which grew more odious as the value of a secret ballot became better understood, was repealed in October, 1816, the first fruit of a still incomplete success.

The constitution of 1818 presents a declaration of rights in twenty-one sections, mostly explicit statements of rights previously recognized as parts of the written or unwritten law. A few, however, involve radical changes. The enjoyment of religious worship in a decorous manner is guaranteed to all persons without discrimination, and a prohibition is put upon giving preference by law to any Christian sect. The powers of government are distributed between the legislative, executive, and judicial departments, each independent, and each having a separate magistracy. Senatorial districts were not formed till after the adoption of the amendment of 1828. By article seventh, while the worship of the Supreme Being is declared to be the duty of all men, it is ordained that no person shall by law be compelled to join or support any church or religious association, and equal privileges are guaranteed to all Christian denominations.

Coalescing with other influences the constitution gave a decided impetus to the development of mechanical talent and mechanical industries, which came most opportunely, not only to arrest the depopulation of the State caused by the decadence of agriculture, but also to bring to it new and prolific sources of wealth.

Having held the cashiership for fifteen years, Normand Knox resigned the position July 22, 1814, to accept the presidency of the Phœnix Bank. In 1801 his salary was raised from $800 to $1,000, and there it remained during the rest of his term. In 1807 fifty, and during the three subsequent years one hundred dollars additional, were voted him for extra services. He died in 1821. Horace Burr was appointed cashier to succeed Mr. Knox.

A brief *résumé* of the general situation will prepare the reader to appreciate more fully the attitude of the Hartford and other Connecticut banks during and after the war of 1812.

Strenuous efforts to secure a renewal of the charter of the first United States Bank failed in Congress by a bare minority. It had furnished the country a sound currency redeemable at all times in coin. It had rendered invaluable aid in establishing the credit of the young republic, and had paid satisfactory dividends. Its continuance was opposed less on grounds of public policy than from desire on the part of many influential persons, outside of the circle of stockholders, to appropriate the profits of the business through local banks which they proposed to organize.

The charter expired March 4, 1811. As the institution had its principal office in Pennsylvania, the mania for the creation of new concerns raged with exceptional violence in that State. Wild and radically erroneous ideas prevailed. Many fancied that in some way cities owed their prosperity to banks, and that an extension of the system would confer similar benefits upon the country. Says Condy Raguet, in a report made to the Pennsylvania Legislature in January, 1820:—

"It was supposed that the mere establishment of banks would of itself create capital, that a mere promise to pay money was money itself, and that a nominal rise of the price of land and commodities, ever attendant upon a plenty of money, was a real increase of substantial wealth. The theory was plausible and too well succeeded."

During the session of 1812–13 the Pennsylvania Legislature, by a majority of one in each branch, voted to incorporate twenty-five banks; but the scheme was killed by a veto from the governor. At the next session a bill incorporating forty-one, with capitals amounting to over $17,000,000, rushed through over a second executive veto, became law March 21, 1814. Of the number authorized, thirty-seven went into actual operation.

The *bona fide* capital produced was very small; for, after the collection of the first installment, subsequent payments were often made in the promissory notes of subscribers, having an element of permanence sadly lacking in other parts of the make-up. Ordinarily excessive issues are prevented by the inflow of bills for redemption. Now, however, the war stopped in great measure the export of specie, making it easy to float an extraordinary volume of paper. Government made heavy loans, taking the proceeds in bank notes. Intoxicated by the speculative fever individuals borrowed recklessly, the banks of the Middle and Southern States meanwhile pouring out promises to pay, oblivious that a day of reckoning must come.

New England escaped the infatuation. At that time the party built up by Jefferson had few adherents east of New York. Even the bait of patronage, usually so effective in catching recruits, made no sensible break in the ranks of her leaders. Both Napoleon and the British cabinet in the deadly struggle for mastery showed equal disregard for the neutral rights of the United States, but the embargo and other retaliatory measures of our government, while helping rather than hurting the belligerents, aroused in New England feelings of deep and lasting resentment from the incurable injuries they inflicted upon her commerce.

When at length war was declared, the step found hardly an advocate or apologist among the federalists of the East. Amid the heats of partisan rancor they refused to concede to the administration either patriotism or ability. The surrender of Hull, the imbecility of Dearborn and the blunders of Wilkeson, seemed to justify the charge that in the end hostilities were precipitated without forethought or preparation. Among our presidents, Madison stands preëminent for the unfitness of his appointments. In aggravation of the mischief he acted on the theory that his responsibility ceased with the selection of subordinates, who must thereafter bear alone the blame for miscarriages in the respective spheres assigned to them.

Whether the federalists were right or wrong, anticipations of disaster repressed the speculative fever usually produced by advancing prices. Conservatism marked the operations of financiers and traders. The banks of Connecticut and Massachusetts issued their notes sparingly, keeping far within the danger-line. A currency proportioned to the needs of business held prices at a moderate level in those States, while redundancy of paper caused high prices and reckless activity wherever the abuse existed. One market attracted buyers and the other sellers. Accordingly streams of domestic and imported commodities flowed constantly westward and southward from New England. Coin moved in the opposite direction to meet the payments. Local settlements in New York, Philadelphia, and Baltimore were effected by paper, while specie was sent eastward where its purchasing power was much greater. To both a sound and unsound currency applies the double truth of the parable: "to him that hath shall be given, and from him that hath not shall be taken even that which he hath."

The capture of Washington in August, 1814, afforded to the inflated banks a convenient pretext for suspension. From Baltimore to New York they tumbled in quick succession, but in the East they stood unshaken by the storm.

At once the bills of the Hartford and other Connecticut banks disappeared from circulation, either coming in for redemption or going into private hoards. At first the issues of suspended institutions, now relieved from all checks upon prudence, rushed into the vacuum. According to origin these represented various degrees of depreciation, so that every trade and settlement involved more or less difficult computations, the loss from errors falling as a rule upon the poor and ignorant. The situation deprived our banks of the profits of circulation, and forced upon the people a very unsatisfactory currency. Hence at a special session in January, 1815, the General Assembly passed an act impowering each incorporated bank in the State to issue bills to the amount of one-half the actually paid capital thereof, receivable for all debts due the same, and payable in specie on demand two years after the close of the war. Presidents and cashiers were required to make semi-annual sworn statements to the General Assembly of the amounts outstanding at the time of such returns. The previous October it had authorized them to issue promissory notes of less denomination than one dollar for the payment of money only.

Our banks now put out bills under two forms, the first promising to pay the bearer —— dollars in notes of New York banks, on demand at the ——— bank in New York, or in specie two years after the war; and the second promising to pay the bearer —— dollars two years after the war. Both were receivable for all debts due the several institutions issuing the same. Borrowing a hint from Virgil—*Facilis decensus Averni*—the public named them "facilities." Fractional notes ranging from six and one-quarter to fifty cents were also freely injected into the currency. Individuals and corporations, barbers and bar-tenders as well as manufacturers and capitalists, the solvent and the insolvent, further variegated the assortment of "shinplasters" by liberal contributions, some professing to call for money and others for services. Meanwhile, counterfeiters took advantage of the disorder to scatter abroad large quantities of spurious stuff. Treasury notes, though receivable for public dues, were not a legal tender, their value from day to day depending on the changing views of buyers and sellers.

The treaty of peace was signed at Ghent, December 24, 1814, the news reaching New York by the sloop-of-war *Favorite*, February 11, 1815. The people of Connecticut were so thoroughly appreciative of the value of a sound currency that the subject was one of the first to enlist their attention. At the May session of 1815 the power granted to the banks to emit post-notes payable two years after the end of the war, was made to cease and determine from the first day of January, 1816. The issue by any unauthorized person, persons, or corporation of paper intended to pass in lieu of money was prohibited under heavy penalties. The law for the punishment of counterfeiters, contained in the revision of 1784, was left in force, except that the offender was in no case to be whipped on the naked body.

As the banks of Connecticut had never suspended, the post-notes being a mere eddy from the general current, they now thought the time at hand when the banks of the Middle and Southern States should prepare for speedy resumption. New York or Philadelphia could return for coin every stray bill from the east, and laugh to scorn any attempt to send back their own by way of offset. After various consultations it was decided to hold a convention at Middletown, July 7, 1815, to consider "the expediency of taking measures to persuade or compel the New York banks to resume specie payments at such a period as may be deemed proper." John Caldwell and David Watkinson were appointed delegates from the Hartford Bank. On the 8th these gentlemen reported to the directors the action of the meeting, which was unanimously approved. John Morgan was selected to meet other representatives from the State in the city of New York, July 19th, to present the views adopted at Middletown, to a committee of that city and receive its reply thereto.

Wall Street manifested little anxiety to be saved from the error of its ways, listening irresponsively to the pleadings of the missionaries sent forth for its conversion. With bills at a discount of fifteen per cent., the banks of the city were generally paying large dividends, and hence, as long as the community remained reasonably quiet, were quite content to allow matters to drift on without agitating for a change. In its issue of September 27th the *Courant* in a few lines summarizes the case:

"It would be a great accommodation to many persons who give their notes, if their fellow citizens would keep them in perpetual circulation as money without ever presenting them for payment — confiding in the assurance of the promisors that they have *property* enough to make the notes secure, but no *cash* — they have a great estate, but no money — and the holders of notes must feel safe in this conviction, without ever *using or testing* it. And why should not these note issuers be thus accommodated as well as the individuals who compose a southern or any other bank?"

As rates of depreciation varied with distances from points of issue, an army of money-brokers sprang up who drew handsome profits from the exchange of dishonored promises. Self-interest led the class to favor continuance of the suspension.

The labor of signing fractional currency proved so burdensome that December 9, 1815, the board passed a vote authorizing any one of the directors to sign as vice-president, and Mr. Charles Goodwin to countersign for the cashier. On the 14th of the following June, James Burr, Charles Goodwin, or either of the clerks, were impowered to countersign for the cashier.

At the October session, 1816, the General Assembly repealed the law permitting the banks to issue bills of a less denomination than one dollar, and prepared to suppress their circulation by enacting that each person passing such bill from and after the first day of March, 1817, should be liable to a penalty of three dollars.

Step by step the Legislature proceeded to build barriers against the future creation of irredeemable paper. Meanwhile our stockholders were not quite ready to forego the convenience or profit of circulation. Yielding to a reactionary impulse they voted at the annual meeting in June, 1816, to authorize the directors, if in their judgment it should be deemed expedient, to issue bills receivable for all debts due to the bank, with the proviso that the total amount should not exceed one-sixth part of the capital. The next day, in declaring the semi-annual dividend, the directors made it payable July 1st, either in the notes of New York banks, or in its own notes receivable for debts due to it.

In 1817 the par of the shares was reduced from four hundred to one hundred dollars each, four of the new being exchanged for one of the old, and the board of direction was increased from nine to twelve.

From stocks on hand at the close of the war the United States exported before the first of October, 1815, cotton, tobacco, and rice to the value of twenty-eight and a half millions of dollars, and wheat and corn to the value of over eight millions. New England produced little for export. During the earlier Napoleonic wars her shipping had proved a source of enormous revenue, notwithstanding vexatious harassments. But the embargo, the restrictive acts, and the blockade had both cut off the income and wasted the capital invested in the business. In the carrying trade she thenceforth came into direct competition with Great Britain and France, and profits sunk toward zero. Simultaneously with the outflow of agricultural produce, England, to relieve her congested warehouses, inundated our markets with her manufactures, which, to the disgust of the shippers, were sold on the whole at a great sacrifice. The nascent industries of Massachusetts, Connecticut, and Rhode Island, inordinately profitable during the blockade, ceased to meet running expenses and were generally closed.

Misfortunes seldom come singly. Throughout New England the summer of 1816 was very cold. In Connecticut severe frosts occurred every month. The corn crop proved almost a failure. The yield of hay, potatoes, and grain did not exceed one-half the average. An unfruitful season was followed by a bitter winter and late spring. Many cattle died of starvation. Industrious and prudent families suffered from lack of food. A sort of mania impaired the judgment of people, impelling them to ill-considered changes. During the summer hundreds abandoned their ancestral homes for what was then known as "the West," beginning life anew with the few movables which they could take along into the wilderness. Regrets came too late to be availing.

Duties on imports, collected in the motley currency of the period, gave the government a large surplus, but it had no facilities for transferring balances to points where funds were wanted for the payment of public obligations. Local bank notes were accepted for taxes, and these in most cases were at a heavy discount a few miles from the place of issue. The need of fiscal machinery for handling and moving the resources of the treasury, according to the requirements of the service, and a belief that the institution would hasten the return of specie payments, led to the charter of the second United States bank, which began business January 7, 1817. Its capital, to consist of specie and government stocks, was fixed at $35,000,000, and its duration limited to twenty years. It had the right to establish branches according to the judgment of the directors.

Gentle coercives applied by the Secretary of the Treasury persuaded the banks of the Middle and Southern States to agree to resume on the 20th of the following February. No adequate steps in the way of contraction were taken to insure the success of the experiment. Loans were shifted from one shoulder to another, but the volume remained about the same. Very early the United States Bank imported seven millions bullion at a cost of $800,000, but it went out as fast as it came in. April 21, 1819, its specie reserve had fallen to $126,745.28. By mismanagement it had been brought in two years to the verge of ruin. A change of presidents was followed by a change of policy. Curtailment of loans and withdrawal of circulation restored it to solvency, but private fortunes were wrecked by the process.

With changes in the *dramatis personæ* and minor details, the history of all periods of inflation can be told with substantial fidelity in one formula: demoralization, extravagance, gambling, the robbery of industry, the enrichment in many cases of craft and cunning, a redistribution of wealth through artificial contrivances, followed in due time by collapse, failures, enforced idleness, the dislocation of manufactures and trade, and paralysis of slow cure.

Niles's Weekly Register, the highest contemporary authority, gives graphic pictures of the ruin attendant on the crisis of 1819. Of the sinister aspect of the failures it says:—

"So extensive were these among the merchants of the cities east of Baltimore, that it seemed to be disreputable to stop payment for less than $100,000; the fashionable amount was from two to three hundred thousand dollars, and the tip-top quality, the support of whose families had cost them from eight to twelve thousand dollars a year, were honored with an amount of debt exceeding five hundred thousand dollars, and nearly as much as a million of dollars. The prodigality and waste of some of these were almost beyond belief; we have heard that the furniture of a single parlor possessed by (we cannot say belonging to) one of them cost forty thousand dollars. So it was in all the great cities — dash, dash, dash; venders of tape and bobbins transformed into persons of high blood, and the sons of respectable citizens converted into knaves of rank through speculation and the facilities of the abominable paper system."

Of the disturbance and distress in the month of August the *Register* says: —

"It is estimated that there are twenty thousand persons daily seeking work in Philadelphia; in New York ten thousand able-bodied men are said to be wandering about the streets looking for it, and if we add to them the women who desire something to do, the amount cannot be less than twenty thousand; in Baltimore there may be about ten thousand persons in unsteady employment or actually suffering because they cannot get into business. We know several decent men, lately good livers, who now subsist on such victuals as two years ago they would not have given their servants in the kitchen."

Connecticut suffered much less than the Middle States, because she had not departed from the maxims of sound finance. At the same time, slow constriction choked her prosperity. Former springs of wealth were drying up. As yet were discernible only dim foreshadowings of the era of mechanical invention and skill, which, from exceptionally brilliant development in the State, has since correspondingly enriched her people. In that gloomy interval of transition, the crop that she could count upon with greatest certainty was the yearly output of emigrants — the most exhaustive ever removed from the soil.

Then, too, a perverse tendency on the part of things to turn out badly brought confusion to well-arranged plans. Shrewdness missed the mark. Possessions won by industry and prudence evaporated. Many who supposed they had accumulated a competency for old age awoke to the realization that they were poor, and that it was too late to begin again.

In the cataclysm reverses thickened around John Caldwell. Losses arising in his own business were reinforced by others incurred in attempts to aid different members of his family. Having easily held the position of trusted leader in the civil and mercantile affairs of the town, while a full generation were crossing the stage, in June, 1819, he retired from the presidency of the bank after an honorable incumbency of twenty-seven years. He had long been the last official survivor of the original directory.

For a quarter of a century the institution had exerted an influence, not only in financial matters but in politics and the church, that has never been paralleled in the history of the State, and a repetition of which from changed conditions long ago ceased to be possible.

Nathl. Terry

CHAPTER VII

THE SECOND GENERATION

JUNE 10, 1819, General Nathaniel Terry was elected president and Horace Burr continued as cashier. For several months the directors had been reefing sails. They scrutinized with more care the credit of borrowers and the character of accommodations. On the first of January two sets of rules were adopted looking to increased caution in the conduct of the business. It was agreed that notes put into the hands of an attorney for collection should not be renewed. Any name appearing as drawer, acceptor, or endorser on paper lying unpaid, was not to be received on paper offered for discount. All notes unpaid at the closing of the doors on the last day of grace must be placed with the attorney for collection immediately. Copartnerships desiring favors must disclose the names of the members in a certificate signed by them. Any director offering a note for discount is recommended to be absent till a decision is made thereon. The attorney must report the situation of all notes placed with him for collection as often as once in thirty days. One partner must not be accepted as indorser for another. The cashier is required to report to the directors at their next meeting whenever any account is overdrawn and not made good immediately on notice, or whenever a person habitually and knowingly overdraws.

General Nathaniel Terry, second president, was born at Enfield, Conn., January 30, 1768; graduated at Yale College in 1786, and was admitted to the bar in 1790. Having moved to Hartford, he represented the town twelve sessions in the General Assembly; was judge of the county court, 1807–9; member of the Fifteenth Congress, 1817–19; served in the constitutional convention of 1818, and was mayor of the city, 1824–31. He was president of the Hartford Fire Insurance Company during its prolonged infancy from 1810 to 1835. He married, March 14, 1798, Catharine, daughter of Colonel Jeremiah Wadsworth. After a career of striking vicissitudes he died at New Haven, June 14, 1844.

General Terry commanded the Governor's Foot Guard from 1802 to 1813, experiencing in military display the keenest delight. Six feet and four inches tall, erect and imperious, he appeared in uniform the born soldier. But for the details of business he had little aptitude, and hence the selection proved unfortunate for the bank.

Recovery from the panic of 1819 made slow headway. During 1820 and the first six months of 1821, the prices of land, fuel, beef, and flour ruled at less than one-half of the prices of 1818. In our cities many stores were empty and others found tenants at greatly reduced rents. Laborers were working on short time for low wages. In reversal of prevalent movements, population for a while drifted from town to country. Amid the general disquiet, Connecticut did not wait for the horse to be stolen before trying to lock the stable. In May, 1822, the General Assembly passed an act requiring the incorporated banks of the State to lodge annually, in the office of the comptroller, sworn statements from the cashiers of the amount of capital stock, of the debts due them, of moneys on deposit, of notes in circulation, and generally of the state of the bank on the first Monday of May, changed the next year to the first Monday of March. Wide latitude was allowed in the method of rendering the returns. No provision was made for personal inspections, or for the publication of the reports. As our banks had pursued a conservative course, and as no machinery was supplied for the correction of abuses, the law took but a slight step forward in the way of supervision. Perhaps the Legislature wished to emphasize the right of the people to know the condition of the institutions which furnished their currency, and had custody of their funds.

December 24, 1821, the directors voted that the cashier pay to the watch wardens of the city twenty dollars toward supporting a watch during the winter. By vote of the council the watch at this time was to consist of not less than two nor more than six persons, four being the usual quota. Expenses were met by voluntary subscriptions in the several wards, the agreement binding each subscriber to serve the number of nights affixed to his name, or "to pay one dollar for each night by them subscribed for the purpose of hiring substitutes." Turns of service were designated by lot under direction of one of the three wardens. From December 1st till April 1st, the watch was set at ten o'clock P. M., and relieved at six A. M., the warden in charge receiving twenty-five cents a night for his services. Persons on duty were required to "carefully and vigilantly watch for the safety of the city from fire, thieves, and other disorderly persons who may be abroad in the streets or elsewhere." They were authorized to arrest and hold for examination all suspicious characters found straying about after ten o'clock. Such were the beginnings of our police system.

In November, 1821, steps were taken to light the city by lamps, to be located from time to time as needed.

Circumstances, long forgotten, constrained the directors, in December, 1822, to place on record the "opinion that the cashier and clerks of this bank ought not to be engaged or concerned in any mercantile business or speculation," and to add by way of warning that "the Board expect them to conform to this opinion."

In 1824, the Connecticut branch of the United

States Bank was moved from Middletown to this city, the Hartford Bank, notwithstanding the rivalries of business, tendering the use of its vaults and other facilities while permanent accommodations were in progress.

One of the severest panics known to history struck England in 1825. A period of unusual prosperity for manufactures, accompanied by large disbursements in redemption of consols, on reduction of the rate of interest from five to four per cent., provoked a spirit of reckless speculation. Joint stock companies, controlling an enormous amount of capital, swarmed into existence. Promoters of all sorts of chimerical schemes, in both hemispheres, solicited cash from the credulous, and in such seasons of delirium credulity becomes contagious. Twenty millions sterling were subscribed for mining projects in South America. When the tide turned, and the drop in prices came, many banks and mercantile houses failed. The stock of coin and bullion, held by the Bank of England, fell from £10,721,000, December 24, 1824, to £1,260,000, December 25, 1825.

So extensive and close had become the connections between Great Britain and the United States that our people, though in much sounder condition, were drawn into the whirlpool. Two bank failures occurred in Connecticut, one through mismanagement, and the other through fraud. The Eagle Bank of New Haven, the first in the State to break, suspended in September. George Hoadly, the president, whose reputation as a financier was such that he dictated the choice of directors, and managed the institution autocratically, on a capital of $623,800, advanced to four persons and concerns on nebulous security, $1,451,507. The committee of investigation found about $300,000 of passable assets against liabilities of over $1,500,000, outside of capital stock.

If possible the case of the Derby Bank was still worse. Finding profits unsatisfactory, an honorable management had wound up its affairs and distributed the assets. Shortly before the panic a combination of swindlers in New York City picked up the dormant charter and proceeded to issue bills which bore marks of fraud on their face. About $80,000 were put in circulation, the holders obtaining a small dividend from the sale of the banking-house, the only asset left in sight when the bubble burst. At the next session of the Legislature the charter was repealed.

In December, 1825, the semi-annual dividend of the Hartford Bank was dropped from three to two per cent., and dividends continued at this rate till June, 1828, when they were suspended for two years.

About this time the "Boston Alliance" redoubled its efforts to compel the banks of New England to redeem their bills in specie, the bills of other New England banks, or in Boston exchange,

Jo. Trumbull

at the Suffolk Bank, and to keep there deposits sufficient to cover the issues of each, accumulating at the agency during the ebb and flow of the ceaseless round of settlements. For a time our banks resisted the "Alliance" on the ground that the system was arbitrary and unjust, and needlessly curtailed the profits of circulation. Opposition, however, gradually died away, and the method became and continued an essential feature of New England banking till the adoption of the national system removed the necessity.

At the annual meeting of the stockholders, June 12, 1828, the opposition to General Terry had gathered sufficient strength to secure his defeat. Joseph Trumbull was elected president, and Horace Burr continued as cashier.

Joseph Trumbull, son of David and grandson of the first governor, Jonathan Trumbull, was born at Lebanon, Dec. 7, 1782; graduated 1801, at Yale College, which conferred upon him the degree of LL.D. in 1849; and was admitted to the bar in Windham in 1803. On looking over the field with a view to future advancement, he decided to make Hartford his home. He was elected to the Legislature, 1832, 1848, and 1851; was chosen to fill the vacancy in the Twenty-fourth Congress left by the resignation of William W. Ellsworth, and later served in the same body two terms, 1839–43; was governor one year from May, 1849; and died August 4, 1861.

In the overturn of control a defalcation was uncovered. For thirteen years Daniel Hinsdale, the book-keeper, had been tapping the till and concealing thė thefts by false entries and false footings on the half-yearly balance sheets. The total stealings, made up of many items, amounted to $31,020.23. Property estimated to be worth $9,653.67 was conveyed to the bank by way of partial indemnity, leaving a net loss of $21,366.56. By his own account, the larger part of the money taken was expended for lottery tickets. He was supposed to be unusually fortunate in his ventures. Commenting on the affair, the New York *Journal of Commerce* said, "We happen to know that a broker in this city, some years since, paid him a prize of ten thousand dollars." In the early days of the republic the country swarmed with lotteries, which, under the sanction of law, and with the approval of good people, were got up to promote various works of public utility, including the building of churches and the endowment of institutions of learning. It required many examples of loss of character and of financial ruin, due to this form of gambling, to convince the public of its pernicious tendencies.

The bank was now contending with the troubles of the only season of adversity in its experience, touching the lowest point of depression in the year 1828. Mr. Burr married a sister of Hinsdale, and naturally enough the closeness of the ties between the two men gave rise to ugly rumors. After an examination of the books, the directors, on the 26th of July, unanimously passed a vote exonerating Burr from complicity in the frauds and from knowledge of them till the facts became public. On the same day his resignation was accepted and Henry A. Perkins was elected to fill the vacancy.

Mr. Perkins brought to the place a practical knowledge of the business acquired in Hartford and Litchfield, indomitable energy, unflinching courage, singleness of purpose, and a conscience that never deflected from the line of rectitude. Inborn truthfulness did not permit him to soften refusals by kindly prevarications, or to pad a "no" with palaver to deaden the force of the impact. In his intercourse with the world prophetic flashes of the *suaviter in modo* were lost to view amid exuberant activities of the *fortiter in re.* To borrowers his communication was Yea, yea; Nay, nay. When invited to the position he was expected to apply heroic remedies suited to the crisis, and as the event proved, he did not disappoint expectations raised by his previous record.

For thirty-three years Mr. Perkins was not absent from his desk a day from sickness or for recreation, and the continuity was at last broken by indulgence in the dissipation of a hurried trip to Saratoga. Fidelity of this unique quality, united with intelligence and technical skill, furnish the strongest possible guarantees of success.

Reports to the comptroller, under the law of 1822, before and after the change of management, differ widely in extent and precision of information conveyed. The statement of the condition of the bank, December 13, 1827, sworn to May 8, 1828, runs thus:

Capital stock,	$1,261,100.00	Bills discounted on hand,	$1,444,823.37
Bank notes in circulation,	412,415.06	Bank notes of other banks,	35,616.93
		Specie,	63,110.58
		Balances in favor of the bank,	129,964.18
	$1,673,515.06		$1,673,515.06

No debit is made for deposits or minor items, neither is credit taken for the banking-house or any assets except bills receivable and cash on hand. How a balance could be struck with such omissions is a lost art of book-keeping.

The statement of the condition of the bank, March 2, 1829,—the first made by Mr. Perkins—discloses the "frozen facts," with no warmth of euphemistic phrase to take off the chill.

STATEMENT FOR MARCH 2, 1829.

Capital stock,	$1,252,900.00	Due the bank, considered good,	$1,396,902.56
Bills in circulation,	362,663.06	Bank stock,	104,300.00
Deposits except from banks,	101,530.95	Cash on hand,	84,946.68
Deposits from banks,	22,426.84	Cash deposited in other banks,	53,746.10
Dividends unpaid,	1,014.03	Real estate except Banking-house,	9,418.26
		Banking-house,	24,169.54
		Deficiency,	67,051.74
	$1,740,534.88		$1,740,534.88

If for "deficiency" had been written "profit and loss," or some mild equivalent the words would have been more soothing to the sensibilities of stockholders, but would have expressed with less exactness the cashier's conception of the requirements of truth. Indeed, there prevailed a disposition to eliminate from assets any claim that could not bear the closest scrutiny. At the annual meeting of stockholders, in June, 1835, they voted to reduce the valuation of the banking-house to $18,000, charging the difference to profit and loss, on the ground that the property ought not to stand upon the books, or in any report to the General Assembly, above its real value.

Of course the dividend for December, 1828, was passed, every one familiar with the situation having foreseen the necessity. In connection with the event, Mr. Perkins often quoted the comment of an antiquated and not over-amiable female stockholder from Glastonbury, who always came in person to collect her dividends. Dropping in at the usual time she asked the clerk for her "interest." As he failed dismally in the attempt to make the case clear to her mind, the cashier stepped forward to try his skill at explanation. She insisted that she had paid in her money and was entitled to her "interest." With much iteration he set forth the losses of the bank and the need of retaining for a while the profits. More bewildered than convinced, she at length moved toward the door, but returned for a parting shot, "Well, I suppose your salary goes right on, whether I get my interest or not."

In encounters with delinquents the personal force of Mr. Perkins usually won quick and decisive victory, but he occasionally met a customer who was slow to succumb. To X. Y., an eccentric character whose account was overdrawn, he sent in rapid succession several notices stating the fact and demanding that the deficit be made good. No attention having been paid to the missives, on the third or fourth day he called on the offender, and without preamble stated vigorously his view of the case. The only reply elicited by the torrent of indignation was, "Sit down, Henry."

Again the ground was gone over and again came the imperturbable invitation, "Sit down, Henry."

Amazed at the audacity of a man who could keep cool beneath the imminence of an overdrawn bank account, Mr. Perkins held his breath in astonishment, wondering what would come next.

"Henry," resumed X. Y., "you are depositing with me now. Sometimes I deposit with you. When I have money in your bank I don't write you a note or send you a messenger to tell you of it. I suppose you know it."

At the end of the first skirmish Y. seemed to have the lead; but, like the rude boy found in the apple tree of Webster's speller, he soon learned that his antagonist had more effective weapons than words and tufts of grass. The account was made good.

May 31, 1830, regular semi-annual dividends were resumed at the rate of six per cent. a year.

Francis Parsons was elected attorney for the bank June 14, 1832, and was succeeded by his son, John Caldwell Parsons, June 13, 1861.

In 1835 the General Assembly enacted that from January 15, 1836, no bank in the State should retain as surplus earnings more than five per cent. on the amount of its capital stock actually paid in. The original draft of the bill, the offspring of ignorance and meddlesomeness, written in a scrawling hand on a fragment of paper, was tossed into the legislative hopper to be ground like countless other crudities into statutory law. In 1838 the act was repealed.

The same body passed an act forbidding the issue by any bank in the State of any note of less denomination than two dollars after July 1, 1835, and of less than three dollars after January 1, 1836. Penalties were provided for the punishment of persons and corporations that should either receive or offer to pay bills of the prohibited denominations. In 1837 the minimum was fixed at five dollars, from July 1, 1838.

March 2, 1835, the surplus of the Hartford Bank had grown to $93,472.59. The following June the directors declared a dividend of $3.50 per share for the previous six months and an extra of $2.50 from the surplus.

In 1836, by a resolution of the General Assembly, the State Treasurer, Comptroller, and Commissioner of the School Fund were appointed a committee to examine the banks of the State, with authority to inspect all books, accounts, and papers, and to examine under oath all officers and agents. On the 19th of September following, Jeremiah Brown, Wm. Field, and Seth P. Beers, incumbents of the respective offices, issued a circular letter to the cashiers of the thirty-one banks in Connecticut, calling for a detailed statement of assets and liabilities, as these should stand at the close of business on the first day of October. While the Hartford Bank had nothing whatever to conceal, the directors contended that the proposed method of inquiring into its affairs encroached upon the privileges of its charter, especially as modified by the contract of 1803 for the investment of the money of the State in its shares, and embodied in a public act then passed. By the terms of the agreement the State was entitled to all dividends accruing upon the subscriptions, with liberty to withdraw the same upon six months' notice. The comptroller was empowered to call for a statement not oftener than once a month, with a right to inspect the books relative to its correctness; and in case the subscriptions exceeded $5,000, the State could appoint a director to watch its interests. "And the said State will not claim or exercise any other agency in the choice of officers in said bank, or the management of its concerns, than is expressed in this act."

Joseph Trumbull, David Watkinson, and James B. Hosmer, to whom the circular was referred, made a report to the directors, September 28th, and in addition to the claims set forth above, further contended that the charter itself was irrevocable, and not subject to amendment without consent of the stockholders.

The committee took the ground, however, that the board should give respectful attention to the requisitions of the General Assembly, and avoid even a suspicion of unwillingness to grant a full examination of the bank, and, so far as compatible with the trust reposed in them, to gratify all reasonable wishes of the community as to its soundness, "fully persuaded that no bank in the country has less reason to fear or shun a strict and rigid scrutiny."

The committee, therefore, recommended that the cashier be instructed to make full answers to all the questions proposed, and that the return be accompanied by a resolution of the board showing that they do not thereby intend to be understood as relinquishing, or as feeling that they have power to relinquish, any right or privilege conferred upon the stockholders by their charter and by subsequent acts in their favor.

The same day the directors adopted the report and voted to instruct the cashier accordingly.

In 1837, the General Assembly provided for the annual appointment by the Legislature of two bank commissioners, whose expenses and pay of three dollars per day each while employed on the business, were to be apportioned among the banks according to the amount of their capital.

To the inquiries of John C. Palmer and C. F. Cleveland, the first appointees, President Trumbull, by direction of the board, replied, repeating the points made the previous year and adding, in regard to the matter of expense, that the directors did not deem themselves authorized to appropriate money of the stockholders in payment for an examination unasked for by them, and, as they conceived, wholly at variance with their chartered rights.

The City and the Mechanics banks of New Haven reached substantially the same conclusion. The General Assembly avoided joining issue on the question by the passage of a resolution, in 1838, making it the duty of Horatio Alden and George Putnam, auditors, to draw an order upon the treasurer in favor of the commissioners for such sum as the three banks above-named were required to contribute, under provisions of the law of 1837, to be paid out of any money in the treasury not otherwise appropriated.

In 1841, when the commissioners presented a bill of $71.21 for similar services, the board voted to pay it without acknowledging any legal liability for reasons already given, but as an act of grace, believing "that the services of judicious bank commissioners are highly beneficial to the public interest."

While the system of State inspection was impending and new, bank officials were inclined to regard it as an impertinence flavored with censure. Greater familiarity with the theory and practise of supervision convinced them both that the people were entitled to know the standing of the institutions which supplied them with currency, and that such as were deserving of confidence could only be helped by diffusion of the facts. Hence, gradually, opposition gave way to approval.

In 1836, and earlier, as in 1891, under the adroit manipulation of speculators, the public clamored for cheap money, and for a great deal of it. Quality mattered little, provided quantity could be depended upon to make prices soar skyward. On the rising tide and swelling its volume, many superfluous banks were created. These met the demand by copious issues of paper, based not on solid assets but bound up largely in the fortunes of the schemes they were used to promote. Borne upward by the unhealthy stimulus, public land sales rose in round numbers from $4,800,000 in 1834, to $14,700,000 in 1835, and to $24,800,000 in 1836. In such condition of unstable equilibrium a crash was unavoidable.

The storm broke in 1837—a year ever memorable for extent and blackness of speculative and commercial disaster. The disease was not produced, but the symptoms were temporarily aggravated by the bitterness with which President Jackson opposed the re-charter of the second United States Bank, and by the uncompromising persistence with which both Jackson and Van Buren fought to secure the establishment of an independent treasury, and thus divorce the custody of the public funds from the banking system of the country.

May 10th, the banks of New York suspended specie payments. On the following day the five discount banks of Hartford united in a card to the public announcing that they had decided on a temporary suspension, as otherwise they must refuse all further accommodations at whatever sacrifice to individuals, while their specie would be demanded and carried into other States. Committees selected from each, for the weight of their names, pledged their character that the banks to which they respectively belonged "were safe and sound beyond contingency." In conclusion, the circular says, "Each bank in Hartford will receive the bills of all the other banks in Hartford on deposit and in payments of notes. These banks have more than four dollars due them for every dollar of their bills in circulation." Joseph Trumbull, David Watkinson, and Calvin Day signed the paper as committee for the Hartford Bank. Annexed to it was an extract from the report of the special committee to the General Assembly, presented May 9th, in which the opinion is expressed that the soundness and solvency of all the banks examined by them is unquestionable, and the public are invited to place entire confidence in their ability to meet all engagements.

At the close of business on the last Saturday in March, 1837, the thirty-one banks of Connecticut had of bills in circulation $3,998,325.30, and of coin on hand $415,386.10, the ratio of coin to circulation being .104 nearly. A year later the circulation had been reduced to $1,920,552.45 and the specie increased to $535,447.86, the ratio now being .28 nearly. Within the same period the Hartford Bank reduced its outstanding notes from $434,079.06 to $77,552.06, and increased its specie from $46,661.44 to $65,263.92, and at the date of resumption (May 10, 1838) was prepared, if called upon, to redeem every bill in coin.

The impregnable strength of our banks during the subsequent depression that culminated in the autumn of 1839, when three hundred and forty-three, mostly at the West and South, failed, was drawn not so much from the specie in their vaults as from the solidity of the resources of customers, upon which rested ultimately their bills receivable. To a great extent those ill-starred concerns "of few days and full of trouble", held against their liabilities securities based on wild lands and mines, on railways into the wilderness, on corner lots in towns not yet cleared of forests, and, in short, made up of drafts drawn by imaginative faith on the glittering but delusive possibilities of the future.

With the Hartford Bank the progress of recuperation after the troubles of 1828 was rapid and free from reverses. The cashier, himself the incarnation of precision and punctuality, introduced methods of exactness and economy, using the knife freely in cases calling for surgery. Many illustrative anecdotes might be told.

One day a person offered for discount a piece of accommodation paper with a good indorser. "Is this a loan which you expect to continue or to pay?" asked the cashier.

"Oh, I shall pay it when due, or at any rate a part of it."

When the note matured the borrower reappeared and said he should like to renew it.

"We will not do it," replied the cashier.

"I do not see how I can pay it."

"We will not do it. That is all."

To the pleadings of the borrower he answered, "Did you not say you would pay the note at maturity, or at least a part of it?"

"Yes, that is so; but I do not see how I can pay anything."

"You can pay something, can't you?"

"No, I don't see how it is possible."

"Well, you can pay a dollar, can't you?"

"Yes, I can do that."

"Very well, pay a dollar, and we will renew the note for the rest."

This was accordingly done, the principal being reduced by one dollar.

Mr. Trumbull, the president, whose inbred courtesy was heightened by political aspirations, occasionally intervened so far as to apply emollients to the bruises, but rarely or never interfered with the vigorous policy of the cashier.

Through the early commissioners the complaints and jealousies of the public first found efficient expression. For a long time the belief penetrated the community that everywhere in the conduct of the business, managers and their friends, especially in emergencies, were accommodated to the neglect of the less favored, whose requirements were equally urgent. Annual reports recur again and again to the evil of large discounts to directors, and suggest remedial legislation. In answer to the first call, an act was passed in 1838 disqualifying a person to serve as director in any bank whose indebtedness to the same exceeded nine thousand dollars above the stock standing in his name. A provision of such latitude presumes sinister origin.

The next year the commissioners renew the discussion, showing how hard it is for directors sitting around the same table, mostly personal friends and liable to desire similar favors, to refuse loans to each other. They say:

"Generally no debts are of such long continuance and perpetual renewal as the debts of directors. The same pliant facility which first yielded to the application, permits the debt to remain unpaid for the convenience of the debtor. Thus the funds of the bank become locked up, and often to the disappointment of men in active business, who depend upon bank accommodations. In times of pressure for money the evil is increased, for directors have as early notice as others of the impending danger, and make seasonable provision for their anticipated wants."

The matter rested in abeyance till 1840, when the General Assembly enacted that

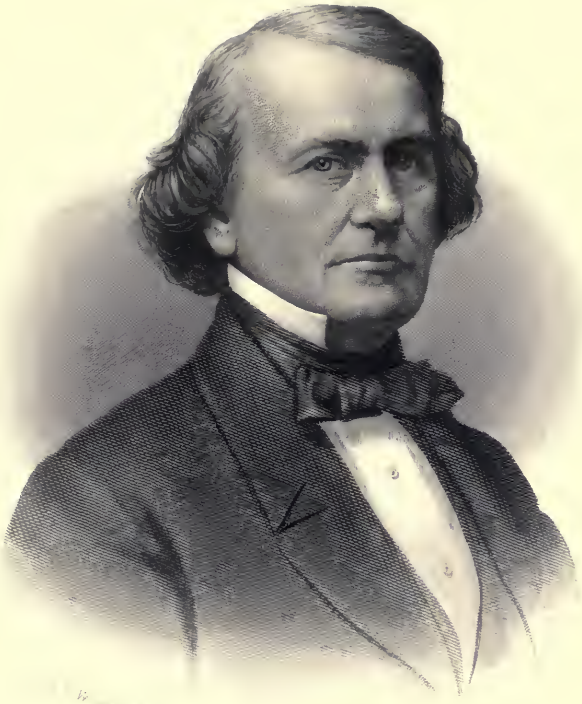
"The directors collectively of any bank in this State shall not be indebted to such bank on notes and bills discounted at such bank for their benefit, or for the benefit of any or either of them, to an amount exceeding one-third of the capital stock of such bank actually paid in."

The continuance of liberality betrays indisposition to meddle with the subject.

The loans by the Hartford Bank to directors amounted to $19,334 Oct. 30, 1839; to $25,000 Jan. 30, 1840, and to $14,537.40 Feb. 10, 1841; or a trifle over one and one-half, two, and one per cent. of the capital at the respective dates. The returns show that similar conservatism prevailed throughout the State, there being but two flagrant exceptions, both of which paid the penalty of their folly.

The board emphasized their approval of a cautious policy still more strongly November 8, 1839, when it

"*Voted,* That in our opinion it will be for the interest of the stockholders, and of those who may deal with this



D. P. Robinson

bank, that the president for the time being abstain from becoming a borrower to this institution, directly or indirectly, and that from and after six months it shall be considered the rule of the bank."

Mr. Trumbull, having been elected to the Twenty-sixth Congress, resigned the presidency, and November 8, 1839, David F. Robinson was chosen to fill the vacancy. Mr. Robinson was born at Granville, Mass., January, 1801, was early left an orphan, and while still a lad came to Hartford, where, after serving as clerk in the store of Oliver Woodford, he learned the trade of bookbinding in the establishment of Silas Andrus. About the year 1825, the firm of D. F. Robinson & Company opened the leading book store of the city, selling by agents as well as over the counter. They also engaged in the publishing business on a large scale, controlling among other works the school books prepared by Jesse Olney, the series of Dr. J. L. Comstock, a History of the United States by S. G. Goodrich, and the Cottage Bible edited by Dr. William Patton, all of which had a great run. About 1835, the sales department was removed to New York City, and thence, under the name of Robinson, Pratt & Co., orders were afterwards supplied, although the printing and binding were still done in Hartford. Mr. Robinson was a member of the Common Council for nineteen years, during a period when the seats were filled almost exclusively by men of high character and wide business experience, whose possessions sharpened to keen edge their solicitude for the welfare of the city; was elected to the Legislature in 1846, and again in 1854; was president of the Hartford Bank nearly fourteen years, and president of the Protection Insurance Company, 1837–40. After a useful and honored life he died January 26, 1862.

In Hartford the earliest conspicuous development of industrial activity was directed to the manufacture of books, the business passing the zenith before the middle of the century. Perhaps the first strong impulse was given by the success of Webster's Speller, published here in 1783, the income from the sales supporting the family of the author during the twenty years he was engaged upon his dictionary. Then, too, from the time when the "Hartford wits" made the little provincial town famous, it has been the home of many literary workers. In the production of educational and subscription books the city took the lead in the United States, and for a while easily held it. Since the war the energies of the place have been more and more diverted into other channels, though several enterprising and successful houses still remain in the business.

The United States Bank, chartered by the Legislature of Pennsylvania in February, 1836, with the view of succeeding to the good will and business of its namesake, proved a thorn in the flesh to New York and New England. It suspended, October 10, 1839, after a desperate and dishonorable attempt to force the banks of New York to take similar action. In inability to redeem its notes it had the company of the other banks of Philadelphia, and of nearly all at the South and West. In Pennsylvania the suspension lasted till January 15, 1841, the date fixed by law for resumption. Perhaps the attempt at compliance would have been successful on the part of the rest had it not been for the rottenness of this concern, which, having suspended twice before, closed its disorderly and vexatious career by yielding up the ghost, January 15, 1841, to the peace and comfort of the solid institutions northward. In five years a capital of thirty-five millions, held mostly by foreigners, had been lost and stolen. *Per contra*, while the country south and west of New York was convalescing slowly and with some serious relapses from the crash of 1837, the Hartford Bank paid forty-one per cent. in dividends in the five years from 1838 to 1842, inclusive, held its surplus at about ninety thousand dollars, and took good care of customers. The States which maintained specie payments after May, 1838, suffered much less than the others, and had a long start upon the road to renewed prosperity.

Till the fall of 1839, Hartford held the key to the trade of the Connecticut River valley, northward, nearly or quite to the border of Canada. Early in the century, after many mistakes and delays due to inexperience and lack of funds, canals were completed around the falls at South Hadley and at Montague. By these helps the stream became navigable for two hundred miles above the city for boats of fifteen tons, and fifty miles further for floats. Besides lumber for domestic use and export, surplus agricultural products found a natural outlet through this channel. Among the statements made to the directors of the Second United States Bank to convince them that Hartford was the proper location for the Connecticut branch, the firm of Porter & Holbrook certified, January 2, 1817, that more than twenty-five hundred barrels of pot and pearl ashes, valued at $85,000, came to their address from Vermont and New Hampshire in the year 1807. Afterwards the outflow was diminished by the interruptions of commerce during the Napoleonic wars and the war of 1812, but was then regaining its former volume. Another paper of the series claimed that of the same material five hundred barrels a year were often shipped hither from the single town of Derby on the Canada line.

Boats returned laden with rum, molasses, groceries, and other supplies. Here, "at the head of sloop navigation," the exchanges were effected. Our river front, crowded with craft from above and below, was during eight months of the year a central point of activity. Droughts had less effect then than now, as forests by retarding evaporation rendered the flow of water more uniform.

In the fall of 1839, the railway was opened to

Springfield from Boston, when our merchants were deserted by old customers in Massachusetts, Vermont, and New Hampshire with painful suddenness. Thenceforth inland traffic followed the locomotive.

Nor was this all. At the time over twenty mail routes radiated from the city, and for long distances trade moved back and forth along the thoroughfares. Daily coaches poured upon our dealers incessant streams of orders, and clerks were often kept busy far into the night packing goods to be forwarded by return stage. Westward our merchants sold their wares through Litchfield county and beyond as far as Great Barrington, Mass. Eastward they covered the whole of Tolland and most of Windham counties. Twenty taverns offered good cheer on the first twenty miles of the road to Albany. If less thick on other turnpikes, they were still numerous enough to afford wide latitude of choice to hungry and thirsty travelers.

In 1839, too, the railway from New Haven to Hartford was opened. The link between Hartford and Springfield was not completed till December, 1844. About the year 1849 the New Haven & Northampton, the Naugatuck, and the New London Northern, running north and south, with the east and west lines from Hartford to Willimantic and to Bristol were opened almost simultaneously. One by one the delightful old stage-coaches gave up the unequal contest and passed out of sight. Country inns, lately bustling centers of business and pleasure, were deserted. Through a change of locomotion one of the most picturesque phases of social life, stretching back to remote antiquity, vanished like a dream. Each of the new roads from the Sound northward seemed to deal a fresh blow to the trade of Hartford.

A complementary movement, now pushed forward with extraordinary vigor, skill, and success, soon raised a subordinate interest to the front rank, and gained for the city supremacy in insurance. The attention of the country was first conspicuously attracted to her method of meeting obligations in the face of direful calamities in December, 1835, when the officers of the Hartford Fire Insurance Company pledged their own property to the Hartford Bank to raise funds for payment in full of losses exceeding $60,000 from the fire which then desolated New York City. The instant annihilation of cash assets left only the indomitable courage of the management as a basis for subsequent operations. From 1835 to 1851, $100,000 of net earnings were indorsed upon the stock-notes given by shareholders, and $135,000 paid in cash dividends.

In 1841 the capital of the Ætna Fire Insurance Company was $200,000. During the next decade it paid $227,500 in cash and $100,000 in stock dividends, or an average of over sixteen and one-third per cent. per year.

With these examples of brilliant success thrust upon the community, it is not strange that insurance absorbed the talent and forces let loose by the contraction of trade. The City Fire Insurance Company was organized in 1847, the Connecticut in 1850, the Phœnix in 1854, the Charter Oak in 1856, and the Merchants and the North American in 1857. The Connecticut Mutual introduced life insurance in 1846 with such stimulating effect that the Charter Oak followed in 1850, the Phœnix in 1851, and the Ætna in 1853. Thus Hartford successfully launched ten companies in eleven years. Although over $12,000,000 were taken from her in payment for property burned at Chicago and Boston in 1871 and 1872, and all but four of her fire companies were engulphed, the interest is now larger, stronger, and more thoroughly equipped than ever before.

The prosperity of our older banks, followed by the exceptional profits of underwriting as conducted here, led also to the rapid formation of new banks, seven having been added to the local list between 1849 and 1857, each of which still enjoys the support of a valuable clientage. Before the rebellion, Hartford had taken position as a leading monetary center of the United States — a position firmly held ever since.

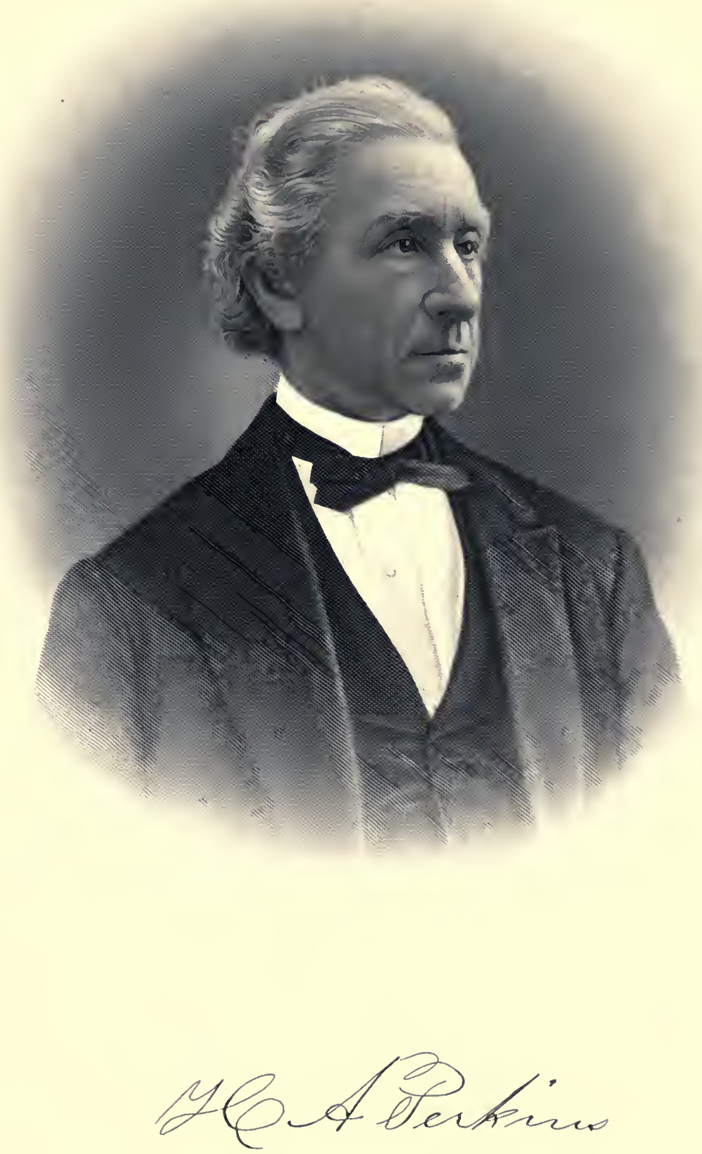
While a formidable array of competitors was swarming into the field, the course of the Hartford Bank continued to be marked by uneventful and monotonous good fortune. In 1853, Mr. Robinson resigned the presidency to join in forming the private banking-house of George P. Bissell & Co., in which he became a silent partner.

CHAPTER VIII

THE PAST FORTY YEARS

JUNE 9, 1853, Henry Augustus Perkins was elected president. For a quarter of a century, lacking less than three months, he had held the office of cashier, and during the entire period, as already remarked, had never been absent a day on account of sickness or for rest. From the beginning his influence had been so pervasive that his promotion brought no change of policy.

Mr. Perkins was a pronounced type of the class of men whose predominance in the financial institutions of Hartford has won for them the unqualified confidence of the country. The golden rule only requires one to love his neighbor as himself, and this is about as far as ordinary people find it convenient to go. Not a few of our managers, however, have shown an economy, a disregard of personal comfort, an assiduity in attention to details, while building up the corporations entrusted to their care, which their private affairs could never have extorted. Men liberal with their own funds have pinched and sheared to save the funds of their companies. The assertion might be proved by a great variety of facts. Before the day of


Perkins

envelopes and before metropolitan banks provided blank forms for drafts, Mr. Perkins had a way of drawing checks on New York correspondents upon the margins of the outer sheets of letters received, which were generally free from writing except for the direction and postmark. During early years of struggle, corporations which now count their assets by millions took quarters up stairs to reduce rent, tabooed carpets, and used kitchen chairs. Officers wrote on desks bought at second-hand shops, ran as errand boys, and often toiled while others slept. Economy and honesty in corporate management are children of twin birth, and upon these virtues largely rests the phenomenal development of the city in banking and insurance.

October 12, 1853, A. G. Hammond, of Greenfield, Mass., was appointed cashier. He resigned in May, 1857, to accept an invitation to Chicago. Returning after a short absence he was subsequently elected president of the Exchange Bank, and held the place about six years.

May 18, 1857, George Ripley, also of Greenfield, was appointed cashier.

Another financial panic, short but destructive, swept over the country in 1857. It grew out of excessive railway building, accompanied by undue expansion of the currency. During 1856 new construction, mostly at the West, reached 3,642 miles. Banks had made large loans on collaterals which declined heavily through the summer. Confidence, long wavering, snapped with the collapse of the Ohio Life and Trust Company, August 24th. Many failures occurred in September, the banks of Philadelphia, Baltimore, and of the interior generally, suspending before the middle of the month. Prices of stocks fell with a rush. Shops were closed and thousands were thrown out of work. On the 6th of October the Exchange, the Mercantile, and the Charter Oak banks of this city stopped specie payments. The same day the following card, signed by the six presidents, was issued to the public:

"The announcement that three banks in Hartford have this day suspended specie payments, leads the six other banks, undersigned, to state publicly —

"1. That they believe themselves fully able to justify and preserve the public confidence heretofore reposed in them, and to that end —

"2. They, for themselves, deem it their imperative duty not to suspend specie payments."

On the 9th of October, the treasurer of the Illinois Central Railroad Company, which had completed the year before its line of 705.5 miles, mostly through a new country, issued a circular announcing its inability to meet pending obligations. The banks of New York city, after a resolute fight against the inevitable, were obliged to succumb on the 13th. The next day the banks of Hartford (except the Connecticut River), and of Boston, followed.

The suspension lasted two months. Saturday, December 12th, the banks of New York city decided to resume the following Monday. Practically the Hartford banks had resumed already, but so quietly that the event hardly attracted attention.

Between the first of July and the first of January, the circulation of the banks of Connecticut was reduced from $10,411,000 to $4,130,265. At the above dates the circulation of the Hartford Bank stood $705,022.06 and $248,727.06, and its specie $76,427.08 and $99,743.82, respectively. Almost every piece of paper it held at the outbreak of the storm was ultimately paid. Its surplus was not impaired. The only hardship the stockholders were called upon to bear was the reduction from five to four per cent. in the dividend for December, 1857, the regular five per cent. rate having been restored the following June.

April 23, 1860, the resignation of Geo. Ripley was accepted to take effect May 1st. He is now president of the Hide and Leather Bank of Boston. June 14th, James Bolter, who had been a director since 1852, and was thoroughly acquainted with the affairs of the institution, was appointed cashier to succeed Mr. Ripley.

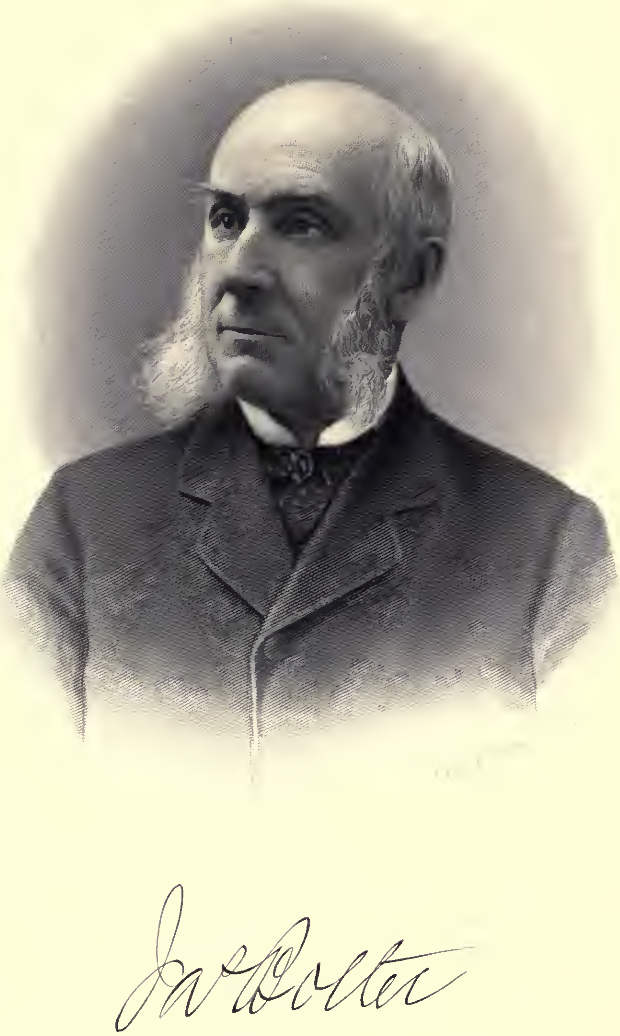
April 26th, the directors voted to subscribe for $50,000 of treasury notes "of the issue proposed by the United States," thus manifesting in the initial stages of the war the spirit of devotion to the cause of the Union, which continued to animate them to the end.

June 13, 1865, the stockholders voted almost unanimously to change from the State to the National system. The necessary steps were quickly taken, and the institution began business under the name of "The Hartford National Bank" on the first of July following. The capital was fixed at $1,132,800, with the privilege reserved of increasing from time to time to $3,000,000. The number of directors was reduced to eleven, the State of Connecticut and charitable institutions being deprived of the possible representation allowed by the charter. The date for annual meetings was moved from June to January.

June 8, 1874, the board of directors by a unanimous vote invited President Perkins, in view of ill health, to "take a recess for such time as he may desire," urging that for at least three months he "relieve himself from all care and labor connected with his official position." Long and unremitting attention to duty, however, had left little vitality to build upon. He died on the 29th of the same month.

He was born in Hartford, Oct. 2, 1801, the son of Enoch Perkins, one of the founders of the bank, and great-grandson of Deacon Joseph Perkins, who, with his brother Jabez, having migrated from Ipswich, Mass., settled in Norwich about 1695.

Enough has been said, perhaps, to indicate the salient points in the character of Mr. Perkins. He was dominated by a sense of justice, honesty, and right to a degree that permitted no toleration of



fraud or sham. With him impatience of wrong-doing easily mounted to detestation. Faithful in the performance of duty, he could not comprehend, much less endure, obliquity, either in business or personal conduct. In short, he was a typical Puritan, amply endowed with the rigid and rugged virtues of the stock, born into the nineteenth century instead of the seventeenth. Sound judgment, added to stalwart integrity, caused his services to be widely sought for the settlement of estates and the administration of trusts.

July 6, 1874, James Bolter accepted the presidency, and William S. Bridgman was elected cashier. Mr. Bridgman had held the post of assistant cashier since March 26, 1864. July 8th, Joseph Breed was elected to the position made vacant by the promotion of Mr. Bridgman.

Anxieties caused by the financial cataclysm of 1873 undoubtedly hastened the death of Mr. Perkins. Early in the crisis the management of the institution devolved upon Mr. Bolter. Intelligent bankers, despite delusive appearances of prosperity, foresaw the tempest, but were unable to avoid its ravages. In modern society the interdependence of interests is so close that in great convulsions the prudent must suffer in a measure for the errors and follies of the imprudent.

By the memorable fires of 1871 and 1872 at Chicago and Boston, buildings and merchandise estimated at $270,000,000 were swept out of existence. The processes of reconstruction made heavy drafts upon the resources of the country. Each successive autumn larger sums were required to move the crops and to otherwise meet the requirements of a rapidly-growing people, but an inflexible, inconvertible, depreciated paper currency cut off relief from the coin supplies of the world. In 1873, after a number of premonitory disasters, including the failure of several prominent houses, the Canada Southern, the Northern Pacific, and the Chesapeake & Ohio railway companies suspended on the 17th, 18th, and 19th of September, carrying down, among others, Jay Cooke & Co. and Fisk & Hatch. By the 20th the panic had become so wild and uncontrollable that the governing committee closed the doors of the New York Stock Exchange.

The causes were many, but the most conspicuous was the inability of Europe to further absorb American railway bonds, which had been thrown upon the market for new construction at the rate of four or five hundred millions a year. With the stoppage of railway building kindred industries were paralyzed, while in other fields of effort the progress of incomplete enterprises was largely arrested. Above and behind all, the time had now come when schemes born of the speculative frenzy that accompanied and followed the war, were put to a test which revealed every hidden weakness. As ridicule of conservative management had become a fashion, ruin suddenly smote the host of promoters and adventurers who had long seemed to dominate the financial situation.

During the winter of 1876–7, owing, in part, to the uncertain result of the election for president, the depression was more disheartening even than at any previous period of the trouble. Recovery proceeded slowly. Not till the resumption of specie payments January 1, 1879, did prosperity return. Meanwhile in the ultimate distribution of losses an uncomfortable share fell upon the banks.

Still the stockholders of the Hartford Bank found the investment a refuge in time of trouble. During the six years from 1873 to 1878 inclusive, it paid 68 per cent. in dividends, or an average of 11⅓ per cent. per annum, besides making a substantial addition to the surplus. The following comparison shows its progress under the national system between 1870 and the date of the last official statement. It should be remembered, too, that latterly rates of interest have been unprecedentedly low, though the downward tendency was arrested temporarily in 1890 by British losses in South America.

Date.	Capital.	Surplus.	Undivided Profits.	Deposits.	Circulation.
Oct. 8, 1870,	$1,132,800	$500,636.55	$55,631.75	$522,570.77	$389,513
Mch. 1, 1892,	1,200,000	600,000.00	168,740.77	2,393,819.21	42,220

One of the first acts of the new president was to take steps to modernize the bank building. In 1875 the floor was lowered and the interior finished in solid mahogany by Herter Brothers of New York City. The lobby is paved with tiling. Dark and stormy days the blaze of a wood fire on the open hearth suggests comfort and hospitality. A strong and commodious vault opens into the passage behind the counter. In the rear is the directors' room, adorned with the portraits of all the presidents. The outer walls are of great thickness, as if intended by the early builders to harmonize with the general solidity of the institution. The second story behind the dome is used for the storage of books, papers, and other belongings.

May 2, 1882, the stockholders voted to increase the capital stock from $1,132,800 to $1,200,000 by the addition of six hundred and seventy-two shares of one hundred dollars each; and the directors were authorized to dispose of the same by sale or subscriptions to the highest bidder in such manner as they might think best. May 23d the entire lot was awarded to a single purchaser, 173 shares at a premium of $75.62½ each, and the remaining 499 shares at a premium of $75.12½.

Early dividends were scant, three and one-half per cent. having been paid in 1793, three per cent. in 1794, and none the two following years. From 1797 they were declared once a year, at the rate of three, three and one-half, and four per cent., till 1802, and thenceforward semi-annually without a break, except in December, 1828, and through 1829. The small returns at first were probably due to slowness and difficulty in converting the notes given by subscribers to the stock into cash, as money was very scarce. Till the end of 1815 it was the custom to divide up all the profits in June and December, the two dividends for that year having been $12.63 and $14.87, respectively, per share of $400. Between 1838 and 1852 eleven extra dividends were distributed. During the sixty-two years from 1830 to December, 1891, five hundred and seventy-eight and one-half per cent. have been paid in one hundred and thirty-five dividends, or an average of nine and one-third per cent. per annum.

In the Appendix will be found a complete list of the directors,—long, because under the provisions of the charter not over three-fourths, exclusive of the president, were eligible "the next succeeding year." The original purpose to give brief sketches of the most prominent was abandoned, after passing the founders, from richness of material, as otherwise this volume might have grown to encyclopedic size. Many of them were eminent for usefulness in both public and private walks. In countless ways their good deeds survive to bless succeeding generations.

With the hundredth anniversary Mr. Bolter rounds forty years of continuous service with the bank as director, cashier, and president, having been first elected to the board June 10, 1852. He was born at Northampton, Mass., June 27, 1815; came to Hartford to reside in 1832; and from

1843 till his acceptance of the cashiership in 1860, was a partner in the mercantile house of C. H. Northam & Co.

Except for the admonition to pass in silence the services of the living, the writer would attempt to voice, however imperfectly, the esteem of fellow bankers and of the community for Mr. Bolter. He would direct attention to the remarkable insight into the real condition of borrowers that has caused his advice to be widely sought by buyers of paper. He would recall acts of timely aid judiciously rendered to the struggling; of duties of citizenship fearlessly performed, not to gain applause, but to protect public interests; of the courage shown on occasion in the rebuke of wrong; and, not least, of the perennial cheerfulness and vivacity, of the wealth of wit and anecdote, that win welcome everywhere. If permitted, he would embalm some of the repartees — of the happy hits exposing the core of situations by a phrase — that have had almost as wide a currency as the bills of the bank. But such suggestions are met by him with an imperative "No."

From the exceptional ability and force of the founders, the Hartford Bank gave a distinctively financial trend to the subsequent development of the town. In its bosom, as has been shown, began the practise of fire and marine insurance, long before the first local company was chartered. Under its wings was gathered the early experience destined, in time, to make the city pre-eminent for skill and success in underwriting. Started soon after the formation of the federal government, amid general poverty, the country having made little progress toward recovery from the ravages and waste of the Revolution, the bank furnished the funds that held for the town, till the advent of railways, the lucrative trade of the Connecticut valley far up toward the sources of the stream. Such was the prominence of its managers, not merely in commerce, but in the professions, in politics, and even in literature, that the popular imagination ascribed a sort of magical potency to the art. Hence, as the community grew in wealth, other banks were rapidly organized, far beyond local needs, till the city became a center for supplying money to the whole country.

We have now nine National and eight State banks of discount and trust companies, with a total capital of $7,975,000, reinforced by surplus and undivided profits amounting, in January, 1892, to $3,514,320.57, and holding deposits reaching $17,277,705.07. At the same date, the assets of our four savings banks reached $21,527,768.87; of eight fire insurance companies, $31,620,007.67; of eight life insurance companies, $125,060,733.87; of the Steam Boiler Inspection and Insurance Company, $1,556,435.12, making a total of $208,531,971.19, owned and held in trust, January, 1892, by the banking and insurance interests of Hartford.

While the finite mind is incapable of tracing streams of influence along their hidden and multitudinous courses, enough is clear to show the exceeding fruitfulness of the seed planted one hundred years ago by the fathers of this institution.

The bank has lent cheerful aid in upbuilding the industrial interests, which, though still in the formative stage, have already made Hartford famous for excellence of mechanical work, not only in America, but in Great Britain, Germany, France, and wherever civilization is sufficiently advanced to demand the best. About one-third of the inhabitants of the town draw their support directly from manufactures, mostly of the highest grade.

The limited and imperfect outline presented in the foregoing pages gives certain glimpses of what an institution under typical New England management has accomplished for the owners and the public during the first century of its life. If the future may be measured by the past, the imagination is both dazzled and dazed in attempting to conjecture what new and strange, and at present inconceivable, materials will lie around the writer who shall continue the story to the year nineteen hundred and ninety-two.


W. S. BRIDGMAN
CASHIER
JAMES BOLTER.
PRESIDENT
W. S. ANDREWS,
ASST. CASHIER
GROSSCUP & WEST. ENG. CO. PHILA.


GEO. S. LINCOLN.
DRAYTON HILLYER.
EBENEZER ROBERTS.
R. H. ENSIGN.
H. C. JUDD.
D. W. C. SKILTON.
ROLAND MATHER.
PLINY JEWELL.
WM H. POST.
G. WELLS ROOT.
CROSSCUP & WEST.
ENG. CO. PHILA

APPENDIX

LIST OF THE EXECUTIVE OFFICERS AND DIRECTORS OF THE HARTFORD BANK

PRESIDENTS

John Caldwell	June 16, 1792	June 10, 1819
Nathaniel Terry	June 10, 1819	June 12, 1828
Joseph Trumbull	June 12, 1828	Nov. 8, 1839
David F. Robinson	Nov. 8, 1839	June 9, 1853
Henry A. Perkins	June 9, 1853	June 29, 1874
James Bolter	July 6, 1874	

CASHIERS

Hezekiah Merrill	June 16, 1792	June 17, 1799
Normand Knox	June 18, 1799	July 22, 1814
Horace Burr	July 22, 1814	July 26, 1828
Henry A. Perkins	July 26, 1828	June 9, 1853
A. G. Hammond	Oct. 12, 1853	June 1, 1857
George Ripley	June 1, 1857	May 1, 1860
James Bolter	June 14, 1860	July 6, 1874
Wm. S. Bridgman	July 6, 1874	

ASSISTANT CASHIERS

Wm. S. Bridgman	Mar. 26, 1864	July 6, 1874
Joseph Breed	July 8, 1874	Aug. 29, 1888
Wm. S. Andrews	Sept. 14, 1891	

LIST OF DIRECTORS OF THE HARTFORD NATIONAL BANK FROM 1792 TO 1892

Jeremiah Wadsworth	1792–	Ira Hooker	1810–
John Caldwell	1792–1818	Chauncey Deming	1810–1824
John Morgan	1792–1815	Solomon Cowles	1811–
George Phillips	1792–1793	Martin Ellsworth	1813–1821
Barnabas Deane	1792–1794	Jonathan Cowles	1814–1822
Timothy Burr	1792–1795	David Watkinson	1815–1839
James Watson	1792–	James H. Wells	1816–1827
Caleb Bull	1792–1796	James Ward	1816–1829
Ephraim Root	1792–1814	Henry L. Ellsworth	1816–1819
Oliver Phelps	1793–1795	William H. Imlay	1817–1818
George Goodwin	1794–1817	Eliphalet Terry	1817–1828
Oliver Ellsworth	1794–1796	Henry Hudson	1817–1823
Peleg Sanford	1793–1797	Isaac Spencer, 2d	1818–
Daniel Wadsworth	1795–1799	Gad Cowles	1818–1826
E. Morgan	1796–1797	Spencer Whiting	1819–1822
William Moseley	1797–1815	Joseph Trumbull	1820–1852
Thomas Bull	1797–1806	Wm. W. Ellsworth	1820–1828
Ezekiel Williams, Jr.	1797–1807	Nathan Morgan	1823–1836
A. Olmstead	1798–1802	Amos M. Collins	1823–1841
Nathaniel Patten	1798–	Harmon Hendricks	1823–1830
Benjamin Bigelow	1799–1805	James B. Hosmer	1824–1863
Samuel Gilbert	1800–1803	Henry Kilbourn	1824–
Joseph P. Cook	1801–1804	Chas. S. Phelps	1825–
Dan Pitkin	1802–	James Cowles	1826–1857
Samuel Richards	1804–	Timothy Cowles	1827–1840
Nathaniel Terry	1805–1827	Robert Watkinson	1827–1836
Julius Deming	1806–1820	Charles Goodwin	1829–1835
Andrew Kingsbury	1806–1822	Roderick Terry	1829–1834
Benjamin Tallmadge	1807–	Daniel P. Hopkins	1830–1834
Elijah Cowles	1808–1816	Samuel Deming	1830–1864
Thaddeus Leavitt	1809–1812	Barzillai Hudson	1831–1864
Joseph Bulkley	1809–1815	M. W. Chapin	1831–1837

Hez. Huntington, Jr.	1831–1834	Ira Peck	1851–
Richard Bigelow	1832–1834	Russell G. Talcott	1851–1862
Thos. S. Williams	1834–1835	* Roland Mather	1852–
E. B. Stedman	1835–	* James Bolter	1852–
David F. Robinson	1835–1854	Henry A. Perkins	1853–1874
Erastus Ellsworth	1836–1847	Gideon Welles	1855–1860
Hezekiah B. Chaffee	1836–1847	Marshall Jewell	1856–1883
Francis Parsons	1837–1849	Francis W. Cowles	1859–
Charles Sheldon	1837–1845	Elijah H. Owen	1859–1881
Chas. H. Brainard	1837–1862	* George S. Lincoln	1860–
Roswell Brown	1838–1854	* Drayton Hillyer	1861–
Chas. H. Northam	1838–1848	John E. Cowles	1862–
Ezra White, Jr.	1841–1845	Francis B. Cooley	1864–1872
Edmund G. Howe	1842–1851	* Henry C. Judd	1865–
Ezra S. Hamilton	1842–1848	George B. Barnes	1865–1876
James M. Bunce	1846–1850	* Ebenezer Roberts	1870–
Robert Buell	1846–1882	Frank W. Cheney	1873–1877
Calvin Day	1847–1884	Zeno K. Pease	1876–1890
John Olmsted	1847–	Henry Kellogg	1878–1891
Newton Case	1848–1852	* Geo. Wells Root	1881–
Loyal Wilcox	1849–1864	* Pliny Jewell	1883–
Albert W. Butler	1849–1857	* William H. Post	1885–
Flavius A. Brown	1849–1863	* Ralph H. Ensign	1891–
Benjamin W. Greene	1851–	* D. W. C. Skilton	1891–

* Present Directors

ALPHABETICAL LIST OF THE FIRST SUBSCRIBERS TO THE HARTFORD BANK, 250 SHARES OF $400 EACH

Benjamin, Everard	2	Lyndes, Joseph	1
Bolles, John	2	Merrills, George	2
Bigelow, Benjamin	4	Merrill, Hezekiah	10
Bull, Caleb	1	Morgan, Elias	2
Bull, David	4	Morgan, John	6
Bull, George	2	Moseley, William	4
Bull, Hezekiah	3	Ogden, Jacob	3
Bull, Isaac	1	Olcott, Daniel	3
Bull, James	2	Patten, Nathaniel	2
Bull, Joseph	1	Perkins, Enoch	3
Bull, Michael & Thomas	8	Phelps, Oliver	15
Butler, N.	6	Phillips, George and T.	10
Burr, James	4	Pitkin, Daniel	1
Burr, Joseph	1	Pratt, Joseph	2
Burr, Timothy	6	Root, Ephraim	6
Caldwell, John	8	Root, Jesse, Jr.	4
Caldwell, John & Co.	6	Sanford, P.	6
Chenevard, John	2	Smith, Reuben & Co.	8
Colt, Elisha	5	Thomas, John	1
Dean, Barnabas & Co.	10	Tisdall, Thomas	2
Ellsworth, Oliver	10	Trumbull, John	2
Goodrich, Chauncey	2	Wadsworth, Catherine	1
Goodwin, David	4	Wadsworth, Daniel	1
Hall, John	1	Wadsworth, Decius	1
Hopkins, Charles	4	Wadsworth, Elizabeth	1
Hubbard, Nehemiah	5	Wadsworth, Eunice	1
Hudson & Goodwin	4	Wadsworth, Harriet	1
Ingraham, N. G.	1	Wadsworth, Jere.	4
Jones, Daniel	2	Watson, James	10
Keyes, Amasa	1	Wells, Ashbel, Jr.	2
Kilbourn, Freeman	2	Wells, James A.	10
Kilbourn, Samuel	2	Wells, Lucy	1
Lawrence, Samuel	3	Williams, Ezekiel, Jr.	3
Leddie, Samuel	1	Wyles, John	1

PRESENT OFFICERS AND EMPLOYES

JAMES BOLTER	President
W. S. BRIDGMAN	Cashier
W. S. ANDREWS	Asst. Cashier
M. H. BRIDGMAN	Teller
N. B. GILBERT	Discount Clerk
W. H. GILBERT	Book-keeper
F. A. SEARLE	Asst. Book-keeper
H. C. NEY	Corresponding Clerk
D. W. KNOX	Messenger
JOHN F. RODNEY	Porter

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